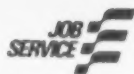


11/89

*Washington*

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

September 1989

Highlights

Employment Hits Its Seasonal Stride

Washington's economy proceeded to expand strongly in August at a time when the resource-based industries and services sectors typically move toward their seasonal peaks. Settlement of the six-week old grocery clerk strike, in addition, brought 8,000 back to work in retail trade. The result boosted nonfarm employment sharply over the month and widened the year-to-year job growth to the largest spread since December 1987.

Statewide unemployment, meanwhile, dropped by half a percentage point to 5.3 percent - the lowest for the year to date and the lowest for August in 20 years. As the employment pace locally has continued to mount, the difference between Washington's and the national unemployment rates has steadily narrowed. Rather than a half a percentage point above the U.S. average a year ago, the state was within two-tenths of the national rate of 5.1 percent in the latest month.

Moreover, the state-to-national employment comparisons proceed to build. Through the first half of 1989, Washington ranked the second highest of any state in the nation in terms of the annual rate of increase in nonfarm employment.

RESIDENT CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT IN WASHINGTON STATE

	Aug 1989 (prelim.)	July 1989 (revised)	Aug 1988
Resident Civilian Labor Force	2,422,800	2,433,800	2,321,800
Employment	2,293,300	2,293,400	2,183,500
Unemployment	129,500	140,400	138,300
Unemployment Rate	5.3%	5.8%	6.0%
National Unemployment Rate	5.1%	5.3%	5.4%

Data in this table are not seasonally adjusted.

Official U.S. Department of Labor, Bureau of Statistics data

LABOR FORCE AND EMPLOYMENT

Both the labor force and total employment ran counter to the nonfarm wage and salary pattern in August. This is normal for the state of Washington. Basically, this represents timing on major crops affecting the level of farm input. Completion of more labor intensive asparagus and berry production is supplanted in August by seasonal heightening in vegetable and fruit tree harvests. The net impact dropped total employment fractionally over the month. On a seasonally adjusted basis, however, total employment actually *increased* by 15,000. A similar pattern can be expected in September.

INDUSTRY DEVELOPMENTS

Total nonagricultural employment heightened by a strong 16,300 workers between July and August. Half of that increase resulted from return to work of striking grocery clerks in the greater Puget Sound area. But the remainder was broadly spread throughout both the

Seasonal vs Cyclical

manufacturing and nonmanufacturing sectors of the economy. Last year's increase was on the order of 9,200.

Significant fluctuations over the month occurred principally in the seasonal industries. Food processing increased by 3,400 as vegetable and fruit tree harvests mounted. Construction also moved toward its seasonal peak adding 3,000 to push employment in the industry to 102,100 - the highest level for August in ten years. With most summer-time maintenance work completed at area schools, public education employment dropped 7,300 to its nadir for the year. Opening of the fall term will reverse the pattern in September.

Cyclical trends were also operating in August. While the major shipyards for the most part have held their own, the pleasure boat industry is a different story. Big-ticket consumer durables are bearing the brunt of the national slowdown. And luxury yacht sales certainly fall in this category. As a consequence, boatbuilding has scaled back payrolls by nearly 1,000 since January (400 in August alone) after nearly doubling employment over the past three years.

Back-to-School + Tourists = Dollars

Excluding the post-strike addition in retailing, August trade employment mirrored a very typical month-to-month trend. Most of the increase in wholesale trade reflected beginning shipment of this year's processed farm harvest. More importantly, local retailing shows no visible signs of any consumer letup. As a result, payrolls in retail trade continued to expand sharply over the month owing to a combination of back-to-school buying and peak tourist traffic. Sales growth at Seattle-area chain stores is ranked among the highest on the west coast this year. And Washington's tourist volume is running an estimated 5 percent higher than a year ago.

All Those People Need a Place to Stay

The boom in construction touched all segments of the industry in August. Statewide payrolls advanced by 3,000 split evenly between housing, nonresidential building, and heavy construction. With regard to housing, market value of existing homes in the Seattle area has climbed between 25 and 40 percent over the past 12 months, and new starts evidenced by permit were up 10 percent statewide through July. Further fueling the housing pressure, multifamily vacancies in the greater

Puget Sound area have now plunged to the lowest in nearly a decade at 3.8 percent in September. Clearly, this is not the end of the housing boom.

Summer Services Strong Despite Strike

Striking nurses held down the August growth in services payrolls. But this was more than offset by expansion of business and recreation services. Both of the latter were keyed to summer seasonal activity: an influx of workers to meet vacation needs boosted jobs at temporary employment agencies, and summer fairs and events pushed up employment at area amusement parks and recreational facilities.

Notch Yet Another Record

Manufacturing heightened by 4,400 in August to an all-time high of 367,400 workers. Fully three-quarters of the month-to-month increase centered in food processing and 20 percent in aerospace. Recent additions in the aerospace sector have slowed from an average 1,300 a month pace of the first half to roughly 900 in both July and August. The cumulative increase for the first eight months, however, exceeds by 1,000 the total for all of 1988. Boeing orders through mid-October climbed to a record 788 aircraft for \$42 billion and the backlog heightened to 1,640 aircraft - the equivalent of four years' production.

Aftermath of the Big Push

In contrast, forest products is currently not providing even seasonal thrust to the economy. Employment in lumber and wood products has been basically flat since June at a time normal seasonal pattern would indicate a 1,300-worker increase. The result has essentially removed the 700-worker year-over-year employment margin which existed in the first half if adjustment is made in August for year ago strikes.

Part of the explanation rests with market anticipation of lengthy supply constraints coming out of the spotted owl controversy which pushed logging activity up artificially in the first half. In addition, moderate weather conditions and lack of significant forest fires this year kept the woods open throughout the summer months. Inventories have built up and export demand has temporarily weakened.

Trade and Services Maintain Their Margins

Over the year gains continue heaviest in trade (up 26,600) and services (up 25,200). The margin, moreover, has not changed appreciably since the begin-

Goods-Producing Leads the Nation

ning of the year. Grocery stores, thanks to expansion of both facilities and product line, account for 30 percent of the twelve month employment expansion in retail trade. In services, it has been the business and health sectors specifically which have led the growth, making up 50% of the August-to-August increase.

Manufacturing, on the other hand, has progressively widened its year-to-year employment margin from 18,200 and 19,300 in the first and second quarters, respectively to 24,200 in August. Close to 80 percent of that quickened pace represents faster hiring in aerospace. Nonetheless, the general momentum of Washington's basic goods-producing sector stands in stark contrast to weakness nationally and drives the economy currently along a broader than national front.

AREA TRENDS

Apples Await

Virtually all areas in the state witnessed lower unemployment between July and August as general business conditions mounted seasonally. The principal exceptions were the Wenatchee and Okanogan areas where an end to the cherry harvest and apple thinning drove the jobless rates up roughly two and a half percentage points to 11.3 percent and 12.1 percent, respectively. Rates will drop back dramatically in both areas as the apple harvest gets underway in September and October.

Tri-Cities Urban vs Tri-Cities Rural

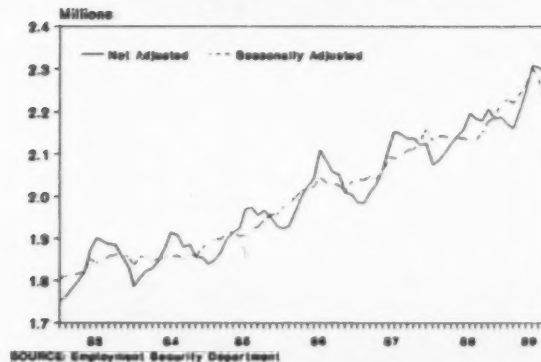
Among the metropolitan areas, only the Tri-Cities MSA held joblessness constant over the month. Each of the others dropped almost uniformly by half a percentage point. Seattle-Everett narrowed to 4.1 percent; Tacoma and Spokane to roughly 5.5 percent. But even within the Tri-Cities, Benton County followed the general urban pattern; the more agriculturally oriented Franklin County alone heightened from 9.6 percent to 10.9 percent.

Lumber Area Unchanged

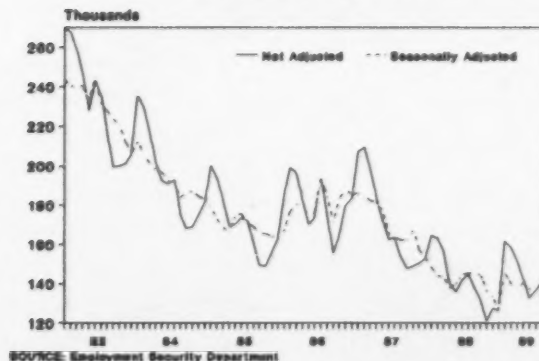
Less dramatic was the July- to- August pattern in the timber dependent counties. Jobless rates for these areas were basically unchanged at an average 7.6 percent. Grays Harbor and Pacific counties matched their July unemployment rates of 9.3 percent and 8.7 percent,

respectively. And Skamania remained at the high end of the jobless range with 11.5 percent.

STATE TOTAL RESIDENT EMPLOYMENT JAN 1983 - AUG 1989



STATE TOTAL RESIDENT UNEMPLOYMENT JAN 1983 - AUG 1989



INDUSTRY NOTES

More Yet to Come

A one-year truce has been hammered out in the battle which has pitted environmentalists against timber operators and threatened to close logging operations throughout the Pacific Northwest. Under a House-Senate conference committee bill, timber sales on U.S. Forest Service lands for 1989-1990 will be set at 7.7 billion board feet. Federal court injunctions which had tied up an estimated 1.8 billion board feet will be set aside. But environmentalists will help select 700 million board feet of that forest area for preservation. Speedy court action is required on environmental suits, and the Forest Service is directed to minimize sales that would

break up old-growth forests with no logging in areas designated as spotted owl habitat. The fact that both sides voiced some disappointment probably suggests a reasonable stop-gap compromise.

And on Another Front

In another battle of wills, Boeing and the Machinists union are faring off against each other in what has become the first strike against the aerospace giant in 12 years. Some 43,000 workers, representing 40 percent of Boeing's Puget Sound area workforce, walked off the job on October 4. At issue are general wage increases, mandatory overtime, promotion and appraisal systems, and benefit provisions. Boeing's tight delivery schedule is at risk should the strike drag on for any length of time. The last strike in 1977 lasted 45 days.

Good Around the Spill

Despite the oil spill which shut down fishing in Prince William Sound and the Gulf of Alaska, this year's salmon catch in the 49th state broke an all-time record. Alaska fishermen, many of which are Washington based, landed an estimated 151 million salmon in 1989 - far above the pre-season forecast of 127 million and higher than the previous catch record of 147 million in 1985. Value was off due to lower average prices. But some partial offset came from payments by Exxon for damages and cleanup. Loss claims by Seattle area fishermen against Exxon through the end of August totalled \$5.5 million.

NATIONAL INDICATORS

Landing? . . . What Landing?

Just when a "soft landing" scenario seemed the logical pattern for the national economy, most of the statistics for the second quarter were revised upward. Some were changed only in degree; others actually changed direction. The net result was an increase of nearly 50 percent in the rate of growth of the second quarter's Gross National Product from 1.7 percent to 2.5 percent. Most of the revision centered in considerably higher spending by individuals than earlier estimated. Inflation was inched down a tenth of a percentage point to 5.1 percent. Hence the reading on the economy through the first half is a moderate but respectable growth rate with inflation remaining intact.

The Future is a Definite Maybe

As a sign that the nation's expansion will likely continue into 1990, the index of leading indicators climbed 0.3 percent in August. This was the best showing since April and the second monthly increase in a row for the government's primary economic forecasting gauge. Five of the indicators moved up; six moved down. The see-saw action for the month and the fact that the index has dropped as many times as it has risen in 1989 gives further credence to the outlook for only very constrained growth through the balance of this year.

Interplay of Prices and Productivity

On the price front, the ascent of commodity prices has stopped. Continued weakness in industrial production is now exerting downward pressure on the closely-watched producer and consumer price indexes, creating an environment of relative price stability. Wholesale prices dropped for the third consecutive month in August - the first such string of declines since 1986. Although overall producer prices *rose* by 4.2 percent in the twelve months ending August, they *declined* by better than 3.5 percent in June-to-August. Likewise, overall consumer prices dipped from 4.6 percent in the year ending August to 1.6 percent over the past three months.

As a further offset, productivity gains are mounting and unit labor costs are being held in check. The Labor Department boosted its estimate of nonfarm productivity in the second quarter from an annual rate of 0.3 percent to 0.7 percent. The first quarter, in contrast, witnessed a *decline* of 1.3 percent. Even more encouraging, output per worker in manufacturing rose in the latest quarter by a very healthy 2.9 percent. With wage adjustments in the 5.5 percent range and a chunk of this offset by productivity gains, unit labor costs are rising only slowly. Second quarter unit labor costs climbed at an annual rate of 4.9 percent, down from 6.2 percent in the first three months.

Capital Gains

Signaling optimism on the economy, business has repeatedly boosted its plans for new plant and equipment spending in 1989. The August survey by the Commerce Department indicated a 7.7 percent real increase over 1988, up one percentage point from last spring and two percentage points over the survey coming into 1989. If realized, capital spending this year would hit a new record of \$464 billion. Significantly, despite the slow-

down in goods production nationally, manufacturers have essentially doubled their planned capital outlays over the past three months to 6.1 percent.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1982-1984=100)

	INDEXES			PERCENT CHANGE FROM	
	Aug 89	July 89	Aug 88	July 89	Aug 88
U.S. AVG	124.6	124.4	119.0	0.2%	4.7%
	Jan-June 1989	July-Dec 1988	Jan-June 1988	2nd Half 1988	1st Half 1988
SEATTLE†	116.7	113.8	111.9	2.5%	4.3%

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics

NONAGRICULTURAL WAGE & SALARY WORKERS IN WASHINGTON STATE, PLACE OF WORK ¹
(In Thousands)

Not Seasonally Adjusted	Aug 1989 (Prel)	July 1989 (Rev)	Aug 1988 (Rev)	July 1988 (Rev)	Numeric Change	
					July 1989 to Aug 1989	Aug 1988 to Aug 1989
TOTAL NONAGRICULTURAL WAGE AND SALARY	2,046.0	2,029.7	1945.0	1935.8	16.3	101.0
MANUFACTURING	367.4	363.0	343.2	338.6	4.4	24.2
Durable Goods	262.9	261.9	242.5	241.3	1.0	20.4
Lumber & Wood Products	43.6	43.5	41.1 ³	41.4 ³	0.1	2.5
Furniture & Fixtures	4.3	4.3	4.2	4.2	0.0	0.1
Stone, Clay & Glass	7.9	7.9	7.8	7.8	0.0	0.1
Primary Metals	13.5	13.4	13.0 ³	12.8 ³	0.1	0.5
Aluminum	9.1	9.1	8.9	8.9	0.0	0.2
Fabricated Metals	11.6	11.6	11.3	11.0	0.0	0.3
Machinery	34.2	34.0	31.8	31.5	0.2	2.4
Machinery (Except Electric)	19.7	19.6	18.2	18.0	0.1	1.5
Electrical Equipment	14.5	14.4	13.6	13.5	0.1	0.9
Transportation Equipment	129.9	129.4	116.3	115.7	0.5	13.6
Aerospace	115.4	114.5	101.2	100.7	0.9	14.2
Other Transportation Equipment	14.5	14.9	15.1	15.0	-0.4	-0.6
Instruments & Related	12.0	11.9	11.6	11.6	0.1	0.4
Miscellaneous Manufacturing	5.9	5.9	5.4	5.3	0.0	0.5
Nondurable Goods	104.5	101.1	100.7	97.3	3.4	3.8
Food & Kindred Products	37.7	34.3	35.5	32.0	3.4	2.2
Canned & Preserved Foods	15.8	12.7	14.3	11.1	3.1	1.5
Apparel & Allied Products	6.3	6.3	6.3	6.3	0.0	0.0
Paper & Allied Products	17.7	17.9	17.5	17.6	-0.2	0.2
Printing & Publishing	22.1	22.0	21.6	21.5	0.1	0.5
Chemicals & Allied Products	10.4	10.3	10.2	10.4	0.1	0.2
Other Nondurable Goods ²	10.3	10.3	9.6	9.5	0.0	0.7
MINING & QUARRYING	3.6	3.5	3.4	3.4	0.1	0.2
CONSTRUCTION	115.6	112.6	104.9	101.6 ³	3.0	10.7
TRANS., COMMS. & UTILITIES	108.5	108.1	103.8	103.0	0.4	4.7
WHOLESALE & RETAIL TRADE	510.8	499.0 ³	484.2	480.8	11.8	26.6
Wholesale Trade	122.7	122.1	117.5	116.8	0.6	5.2
Retail Trade	388.1	376.9 ³	366.7	364.0	11.2	21.4
FINANCE, INSURANCE, & REAL ESTATE	116.4	116.0	111.4	111.1	0.4	5.0
SERVICES	473.9 ³	473.6	448.7	446.9	0.3	25.2
Health Services	139.1 ³	140.3	134.4	134.4	-1.2	4.7
GOVERNMENT	349.8	353.9	345.4	350.4	-4.1	4.4
Federal	74.2	74.0	73.0	73.2	0.2	1.2
State & Local	275.6	279.9	272.4	277.2	-4.3	3.2
Education	123.9	131.2	123.0	128.7	-7.3	0.9
(WORKERS IN LABOR-MANAGEMENT DISPUTES)	1.3	8.0	2.5	2.4	-6.7	-1.2

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full-time and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

³Workers excluded because of involvement in labor-management disputes.

DATE 10/3/89
Benchmark: 1988

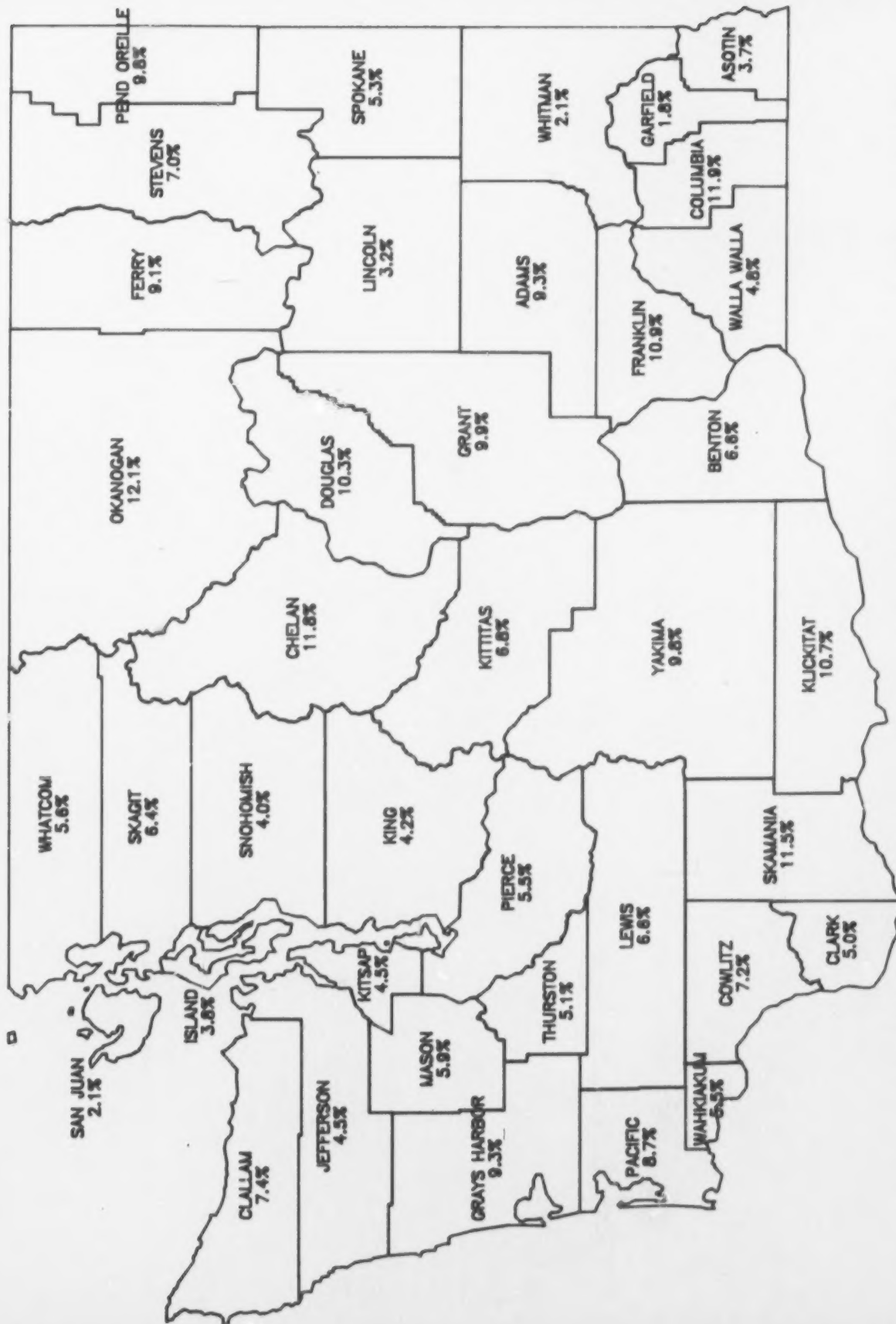
RESIDENT LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE AND LABOR MARKET AREAS

Washington State
Employment Security Department
Labor Market and Economic Analysis Branch

(Not Seasonally Adjusted)

	AUGUST 1988 PRELIMINARY 1/			JULY 1988 REVISED 1/			AUGUST 1988 REVISED 1/		
	Labor Force	Employment	Unemp. Rate	Labor Force	Employment	Unemp. Rate	Labor Force	Employment	Unemp. Rate
Washington State total	2,422,800	2,293,300	5.3	2,433,800	2,293,400	5.8	2,321,800	2,183,500	6.0
Bellingham MSA	60,900	57,500	5.6	61,700	57,800	6.3	59,600	55,700	6.5
Bremerton MSA	77,200	73,700	4.5	78,000	74,100	5.0	77,100	73,000	5.3
Olympia MSA	77,800	73,800	5.1	78,900	74,300	5.8	75,400	70,800	6.1
Seattle PMSA	1,094,200	1,049,100	4.1	1,091,600	1,041,800	4.6	1,028,700	979,900	4.7
King County 2/	866,700	830,700	4.2	864,400	824,900	4.6	814,400	775,900	4.7
Snohomish County 2/	227,500	218,400	4.0	227,200	216,900	4.5	214,300	204,000	4.8
Spokane MSA	168,300	159,400	5.3	168,700	158,700	5.9	164,100	154,500	5.9
Tacoma PMSA	253,600	239,700	5.5	254,100	238,800	6.0	242,000	227,200	6.1
Tri-Cities MSA	98,900	94,600	7.6	71,800	66,100	7.7	68,500	62,700	8.5
Benton County 2/	53,400	49,900	6.6	55,000	51,100	7.1	52,500	48,400	7.8
Franklin County 2/	16,500	14,700	10.9	16,800	15,000	9.6	15,900	14,300	10.1
Vancouver PMSA	120,800	114,700	5.0	121,500	114,700	5.6	117,100	110,700	5.5
Yallima MSA	98,600	98,800	9.8	100,300	90,100	10.2	97,700	87,600	10.3
Adams	7,240	6,570	9.3	7,290	6,290	13.7	7,120	6,500	8.7
Asotin	9,880	9,510	3.7	9,750	9,370	3.9	9,330	8,860	5.0
Chelan	23,060	21,360	7.4	23,180	21,390	7.7	23,630	22,040	6.7
Columbia	1,590	1,400	11.9	1,650	1,410	14.5	1,630	1,420	12.9
Cowlitz	36,130	33,520	7.2	36,770	33,930	7.7	35,540	33,070	6.9
Ferry	3,170	2,860	9.1	3,180	2,860	10.1	3,020	2,710	10.3
Garfield	1,100	1,080	1.8	1,150	1,120	2.6	1,120	1,090	2.7
Grant	26,440	23,810	9.9	26,800	24,170	9.9	26,490	23,790	10.2
Grays Harbor	24,750	22,460	9.3	25,310	23,000	9.1	25,410	23,190	8.7
Island	21,160	20,350	3.8	20,700	19,840	4.2	19,840	18,950	4.5
Jefferson	8,520	8,140	4.5	8,530	8,110	4.9	8,530	8,070	5.4
Kittitas	11,310	10,540	6.8	11,210	10,250	8.6	11,220	10,340	7.8
Klickitat	8,500	7,590	10.7	8,590	7,710	8.8	8,370	7,460	10.9
Lewis	25,400	23,730	6.6	25,710	23,800	7.4	25,020	23,060	7.8
Lincoln	4,650	4,500	3.2	4,750	4,570	3.8	4,660	4,500	3.4
Mason	15,210	14,320	5.9	15,480	14,490	6.4	13,500	12,610	6.6
Okanogan	15,560	13,670	12.1	17,230	15,540	9.8	15,350	13,290	13.4
Pacific	7,680	7,010	8.7	7,960	7,270	8.7	7,600	7,020	7.6
Pend Oreille	3,570	3,220	9.8	3,680	3,250	11.7	3,480	3,110	10.6
San Juan	6,590	6,450	2.1	6,500	6,330	2.6	6,530	6,360	2.6
Skagit	37,470	35,080	6.4	38,140	35,490	6.9	35,150	32,660	7.1
Stemania	2,520	2,230	11.5	2,470	2,170	12.1	2,230	1,910	14.3
Stevens	12,520	11,640	7.0	12,560	11,540	8.1	12,080	11,250	6.9
Wahkiakum	1,270	1,200	5.5	1,260	1,190	5.8	1,340	1,230	8.2
Walla Walla	23,720	22,570	4.8	24,280	22,950	5.5	23,360	21,990	5.9
Wenatchee Labor Area	42,630	37,830	11.3	44,820	41,040	8.4	42,320	37,680	11.0
Chelan County 2/	28,710	25,330	11.8	30,300	27,480	9.3	28,510	25,230	11.5
Douglas County 2/	13,900	12,500	10.3	14,520	13,560	6.6	13,810	12,450	9.8
Whitman	19,960	18,460	2.1	18,140	17,760	2.1	17,900	17,370	3.0

1/ Official U.S. Department of Labor, Bureau of Labor Statistics data.
2/ Estimates are determined by using the Population/Claims Share disaggregation methodology.
Note: Detail may not add due to rounding



AUGUST 1989 STATEWIDE UNEMPLOYMENT RATE = 5.3%

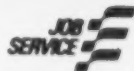
**ESTIMATED AVERAGE HOURS AND EARNINGS OF PRODUCTION WORKERS IN MANUFACTURING AND OF
NONSUPERVISORY WORKERS IN NONMANUFACTURING ACTIVITIES, STATE OF WASHINGTON**

	Prel Aug Production Workers/ Nonsupervisory Workers	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings					
		Aug-89	Jul-89	Aug-88	Jul-88	Aug-89	Jul-89				
TOTAL MANUFACTURING INDUSTRIES†		219,855	\$497.35	\$503.71	\$465.31	40.6	40.2	39.4	\$12.25	\$12.53	\$11.81
SELECTED MANUFACTURING INDUSTRIES											
Lumber and Wood Products	36,442		\$443.51	\$453.57	\$389.06	38.6	38.8	36.6	\$11.49	\$11.69	\$10.63
Primary Metal Industries	10,523		\$533.83	\$533.37	\$538.82	42.1	41.8	42.9	\$12.68	\$12.76	\$12.56
Fabricated Metal Products	9,522		\$488.84	\$503.89	\$450.15	40.5	40.9	40.3	\$12.07	\$12.32	\$11.17
Machinery	22,465		\$374.22	\$370.63	\$367.60	38.5	37.4	39.4	\$9.72	\$9.91	\$9.33
Food and Kindred Products	27,958		\$362.74	\$380.63	\$353.25	39.6	37.5	37.7	\$9.16	\$10.15	\$9.37
Chemical and Allied Products	4,108		\$616.41	\$610.55	\$588.24	40.5	40.3	38.7	\$15.22	\$15.15	\$15.20
Transportation Equipment	60,707		\$644.01	\$646.05	\$601.38	43.9	43.8	42.5	\$14.67	\$14.75	\$14.15
SELECTED NONMANUFACTURING INDUSTRIES											
Construction	86,510		\$619.88	\$627.38	\$595.83	37.5	37.5	37.1	\$16.53	\$16.73	\$16.06
Wholesale and Retail Trade (does not include eating & drinking establishments)	316,532		\$325.62	\$335.24	\$307.13	33.5	34.0	32.5	\$9.72	\$9.86	\$9.45

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages". While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiations of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

*Washington*

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

October 1989

Highlights

Back To The Future

Reopening of schools overlaid atop a steady economy pushed Washington's nonfarm employment up stongly in September. Total wage and salary jobs in the state rose 24,200 over the month and stood 100,000 above a year earlier — the largest year-to-year increase for the month since 1979. Much of the August-to- September payroll hike represented typical seasonal recall of workers in public and private education. The economy, however, continued its momentum, driving nonagricultural employment higher on a seasonally adjusted basis for the 83rd consecutive month. October will mark seven years of economic expansion — the longest in postwar history.

Statewide unemployment, meanwhile, dropped two tenths of a percentage point over the month to 5.2 percent of the labor force. Typically, September and October mark the low points in terms of overall

joblessness as much of the economic base moves to seasonal peaks. Highs in construction, food processing, services, and government more than compensate for fall cutbacks in tourism and recreation. The state's jobless rate in September essentially matched the national average of 5.1 percent and stood half a percentage point below a year before

RESIDENT CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT IN WASHINGTON STATE

	Sep 1989 (prelim.)	Aug 1989 (revised)	Sep 1988 (revised)
Resident Civilian Labor Force	2,382,300	2,425,800	2,312,000
Employment	2,257,400	2,294,300	2,180,300
Unemployment	124,900	131,500	131,700
Unemployment Rate	5.2%	5.4%	5.7%
National Unemployment Rate	5.1%	5.1%	5.2%

Data in this table are not seasonally adjusted.

Official U.S. Department of Labor, Bureau of Labor Statistics data.

LABOR FORCE SUPPLY AND DEMAND

Tightness of the labor market is becoming an increasingly pressing issue in many key industries. Particularly acute is the shortage of skilled workers in the Seattle PMSA where 60 percent of the state's job growth has centered. Boeing's decision to temporarily import 600 Lockheed workers earlier this year was an extreme reaction to an inadequate supply of skilled machinists. On a broader plane, fully a third of the respondents to a recent statewide small business survey said they could not find skilled workers in their respective labor areas, and general help-wanted advertising in the *Seattle Times* was up 25 percent September-to-September.

Washington's unemployment rate *dropped below 6 percent* on a seasonally adjusted beginning last October for the *first time in 20 years*. Six percent in the present environment must logically be considered close to a full employment economy. Some of the pressure in Washington has been relieved through immigration.

However, average worker earnings in manufacturing are being pushed higher in 1989 after no change in 1987-88, and the lengthy machinists' strike against Boeing — the largest industrial employer in the state — resulted in general wage increases plus bonuses, cost-of-living adjustments, and reductions in mandatory overtime.

CONTRARY TOTAL EMPLOYMENT

Resident total employment *dropped* in September by an amount nearly equal to the increase reported in non-farm employment. The apparent dichotomy is not unusual for this time of year when seasonal self employed in such activities as lawn care, fairs, and concessions exit the labor force. This time around, however, the order of magnitude was significant.

Part of the explanation rests with reporting differences between the two series. Labor force and total employment are derived from a household survey; nonfarm payroll employment from employer records. The one measures employed persons; the other measures number of jobs. Under normal circumstances, the two are basically comparable. But a large increase in multiple jobholders is a factor causing the series to diverge of late. Differential treatment causes employment in the payroll series to rise more than that of the accompanying household survey. In addition, the sample size of the household survey is relatively small and subject to greater vacillations over time than the larger nonfarm payroll estimates.

INDUSTRY DEVELOPMENTS

Education was the driving force for employment in September, accounting for 29,000 additional jobs over August. Recall of 24,400 noncertified workers at public schools including bus drivers, cafeteria workers, teachers aides, and other support staff represented the major boost. Reopening of private schools and universities added another 4,600. October will witness a further buildup to full staffing levels for the 1989-90

A Matter of Offset

academic year. Meanwhile, the rest of the month-to-month fluctuations in September were largely confined to food processing, services, and trade.

Aside from fairly typical seasonal expansion in food processing, statewide manufacturing employment in September was a study in offsets. Food processing, sparked by a good crop year, mounted by 1,100 workers over the month to a seasonal peak of 38,700. Vegetables and soft fruit harvests typically drive processing activity up sharply in September followed by a pullback through the balance of the year. Other notable gains included 300 each in aerospace and other transportation equipment, and 200 each in electrical machinery and printing and publishing. Although significant, the September aerospace addition paled in comparison to an average 1,000 a month increase since the beginning of 1989 and 700 monthly over the past five years.

Countering the gain were some fairly modest but broad-based declines of 100 each in paper, primary metals, and stone, clay, and glass. In addition, a very atypical retrenchment of 400 took place in lumber and wood products. Normal month-to-month pattern would dictate no change. August employment, particularly for logging, was probably inflated by unusually mild weather this year which kept the forests open throughout the summer months. Another factor was higher than seasonal activity early in the year to build inventory against forced timber restraints coming out of the "spotted owl" controversy. September's employment likely reflected return to a more normalized market situation.

Services Build Seasonally

Roughly 80 percent of the 5,800 payroll increase in services represented return-to-work at private schools and colleges throughout the state. Returning students also caused day care centers to expand seasonally in September as older children shifted from households to classrooms. As the summer drew to a close, tourist-related services at hotels, outdoor recreational facilities, and amusement parks also scaled back.

The two-week run of the Western Washington State Fair, however, typically collides with that timing and provides very significant offset. The fair ranks as the

Future Shock Is Here

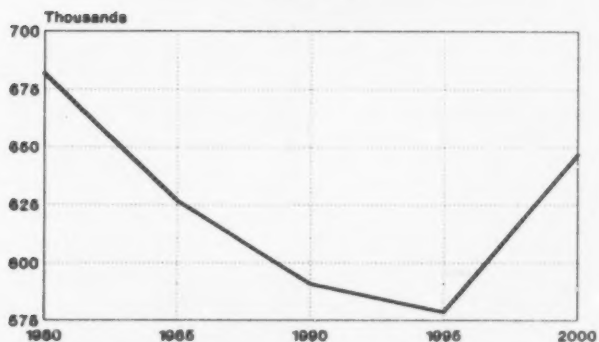
eighth largest in the nation with a direct job total of 1,400 plus an estimated 5,000 more at concessions, eateries, and amusements spread throughout the fairgrounds and along the immediate perimeter areas. Attendance this year was up 20 percent to 1.36 million.

Running counter to normal trend, retail trade dropped by 5,200 workers in September. At no time over the past 25 years has retailing not increased fractionally during the month with back-to-school shopping and other seasonal impacts. The drop this year centered specifically in restaurants and fast food outlets as summer youth returned to school. The labor market was simply unable to provide replacements as the youth cohorts of the population have proceeded to decline.

It is estimated that 16-to-24 year olds coming out of the birth dearth of the 1970's are dropping 8 percent over the ten years to 1995. Total population is forecast to rise 15 percent, and the number of 35-to-54 year olds is projected to increase nearly 50 percent. But the young, entry-level worker is becoming a scarce commodity. Some shifts are occurring within business to tap older, disabled, or disadvantaged workers to make up the difference. Hourly wage rates in various service and trade sectors are rising. Nonetheless, the impact of youth shortages in the Washington labor market finally became a reality with the September retail trade figures.

Changing demographics over the next ten years offer the state both a challenge and an opportunity. The combination of lower labor force growth and higher skill requirements mandates improved education and training programs aimed at workers traditionally left out of the mainstream in order to address what amounts to a potential serious skills gap. Governor Gardner is proposing a two-year program consisting of a comprehensive study of the state's vocational training and adult education system followed by a series of training pilot projects. The projects will use innovative techniques to expand apprenticeship programs, improve access and flexibility, and induce high-risk inner city youth into career path training programs. The fusion of business and government holds the key.

**Population Projections
16-24 Year Olds in Washington State
1980-2000**



Source: Office of Financial Management

*Services Set The
Year-To-Year Pace*

Total nonagricultural wage and salary employment showed a 100,000 year-to-year increase in September — the largest for the month since 1978-79. Roughly half the gain centered in trade and services, the two sectors which have led the economy throughout the expansion. Over the past seven years, trade and services payrolls have expanded by nearly 40,000 annually, moving from 45 to 48 percent of the total economy. Much of the growth centers in business services, specifically data processing and temporary help agencies, and health services at treatment centers and clinics other than hospitals.

Meanwhile, manufacturing continues to generate higher than proportionate growth. September-to-September payrolls in basic manufacturing were up 21,900, or 6 percent, in contrast to less than 1 percent nationally. Admittedly, aerospace has been the principal driving force locally, accounting for roughly 60 percent of the total year-to-year increase. However, significant expansion has also occurred in machinery (+ 2,000), food processing (+ 1,600), and lumber and wood products (+ 1,100).

AREA TRENDS

Driven Down By Apples

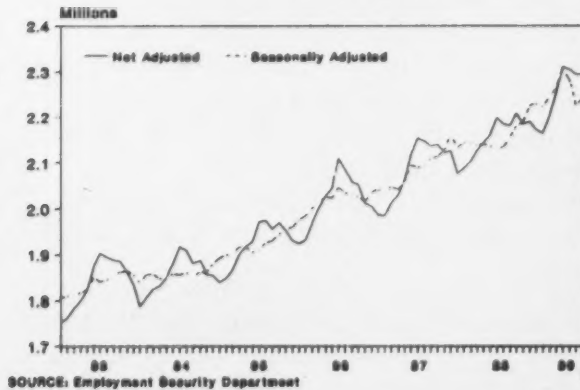
Seasonal heightening in food processing and beginning of the apple harvest served to pull down unemployment levels throughout most of Eastern Washington in September. On average, the jobless rate for the eastern half

of the state dropped over the month by one-and-a-half percentage points to 6.0 percent of the labor force. Principal beneficiaries were Chelan, Douglas, and Okanogan counties. Each witnessed a decline of approximately five percentage points, to a seasonal low between 6 and 7 percent. Within the metropolitan areas, both Yakima County and the Franklin County area of the Tri-Cities were similarly affected.

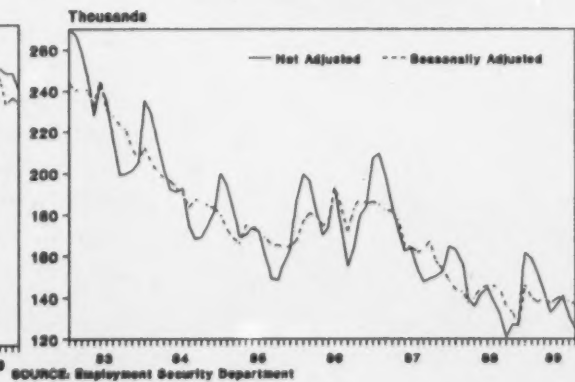
Urban Holds Firm

Washington's principal urban centers, meanwhile, showed basically no change in overall unemployment rates between August and September. The average for all areas held at 5.0 percent. Seattle-Everett continued to hold at the low end of the range with 4.3 percent. Tacoma and Spokane stood at 5.6 percent and 5.3 percent, respectively. Only Yakima measured significantly above the statewide average, but its 7.1 percent rate for the month matched that of September in both 1987 and 1988, and likely represents the low point for the year.

STATE TOTAL RESIDENT EMPLOYMENT
JAN 1983 - SEP 1989



STATE TOTAL RESIDENT UNEMPLOYMENT
JAN 1983 - SEP 1989



INDUSTRY NOTES

Boeing Back

Boeing machinists returned to work on November 22 after 48 days on strike — the longest walkout against the aerospace giant since the 45 day strike in 1977. The 43,000 workers, representing 2 percent of Washington's total nonfarm workforce, received general wage increases in excess of cost of living adjustments amounting to 4 percent in 1990 and 3 percent in each of the following two years. In addition, mandatory overtime was cut and lump sum bonus payments were pegged at 10 percent, 5 percent, and 4 percent respectively, over the three year contract.

Production during the strike was at a near standstill with only 24 planes delivered; return to full production will take weeks. The State Forecast Council estimates the strike cost the state \$175 to \$200 million in lost personal income. Indirect impacts on the Seattle area economy, however, were minimal: Boeing suppliers reported some delivery cutbacks during the period, but settlement in late November means Seattle area merchants should go through the critical Christmas buying season relatively unscathed.

Population Pushes Harder

Migration into Washington State is running nearly double previous estimates, according to the Office of Financial Management. Rather than 45,000, net migration for the year ending next April is now figured at 86,000 — up from 58,000 last year. The earnings impact of these workers is estimated at \$170 million in 1990 and \$450 million in 1991. With a slowing economy, net migration is forecast to total 55,000 next year and 30,000 the year after.

Washington Exports Grow Faster Than The National Average

One cause: Washington is shipping its product out faster than the nation as a whole. Washington-based exports grew 31 percent last year to a record \$14 billion — 10 percent faster than the nation's exports. Collaterally, the value of Washington-consumed imports totalled \$6.5 billion, giving the state a \$7.4 billion trade surplus. The state ranked first in exports per capita in 1988, shipping \$3,043 for every resident. One in every five jobs statewide is figured to be linked directly or indirectly to foreign trade.

In agriculture, strong showing of wheat and apples last year pushed the state's farm exports up 47 percent to \$1.33 billion. The national increase was 30 percent. Exports were the primary market for wheat, dry peas, lentils, mint oil, and hops. About a third of Washington's total farm income is generated from foreign trade.

NATIONAL INDICATORS

Go-Go GNP

Third quarter growth of Gross National Product — the nation's total output of all goods and services — came in at an inflation-adjusted 2.5 percent annual clip, the same as recorded in the second quarter. The preliminary estimate presented a mixed picture of the economy; surprising strength in consumer spending, unexpected weakness in trade, and an easing in overall inflation. Driven largely by auto dealer incentives, consumer spending jumped a sharp 5.8 percent in the July-September period. Lower oil prices, meanwhile, pulled the GNP price deflator down from 5.0 percent in the second quarter to 2.9 percent. Collectively, the rate of expansion over the past two quarters was the lowest since the fourth quarter of 1986 and appears consistent with a "soft landing" target being orchestrated by the Federal Reserve.

Manufacturing Continues To Falter

Against the generally upbeat GNP figures, evidence of slowing continues to mount. Orders for manufactured goods held steady in September only on the strength of a large boost in military purchasing. The Commerce Department reported that orders for both durable and nondurable goods totalled a seasonally adjusted \$236.7 billion for the month. Military orders increased 60 percent from August \$12.7 billion — the second biggest jump in military purchasing in history. Without that factor, orders would have dropped 2 percent.

Along the same vein, manufacturing productivity rose an anemic 1.4 percent in the third quarter, off dramatically from the 3.7 percent annual rate in the second quarter. This was the smallest productivity increase since the fourth quarter of 1987 and underscores the fact that manufacturing is indeed bearing the brunt of the national economic slowdown.

Key Barometers

New housing starts fell sharply by 5.2 percent in September to an adjusted 1.26 million unit annual rate — the lowest since the depths of the 1982 recession. At the same time, sales of new homes nationwide dropped 14 percent. Analysts saw the September data as largely an aberration following an unsustainable blip in July. Mortgage interest rates declined in July before edging higher in August and September.

Meanwhile, the government's chief economic forecasting gauge registered only a modest increase in September. The Commerce Department's Index of Leading Indicators — designed to foretell economic activity six to nine months hence — inched up 0.2 percent following a 0.5 percent rise in August. Consumer expectations remained positive; most of the negative drag centered in manufacturing. With consumer spending accounting for fully two-thirds of GNP, continued strength in that key sector likely points to further modest growth of the economy well into 1990.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1982-1984=100)

	INDEXES			% CHANGE FROM	
	Sep 89	Aug 89	Sep 88	Aug 89	Sep 88
U.S. AVG	125.0	124.6	119.8	0.3%	4.3%
SEATTLE*	Jan-Jun	Jul-Dec	Jan-Jun	2nd Half	1st Half
	1989	1988	1988	1988	1988
	116.7	113.8	111.9	2.5%	4.3%

*The index for Seattle reflects prices in King, Pierce, and Snohomish Counties.

Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands)

Industry	Sep 1989 (Prel)	Aug 1989 (Rev)	Sep 1988 (Rev)	Aug 1988 (Rev)	Numeric Change	
					Aug 1989 to Sep 1989	Sep 1988 to Sep 1989
Total Nonagricultural Wage & Salary	2072.3	2048.1	1972.3	1945.0	24.2	100.0
Manufacturing	368.6	367.3	346.7	343.2	1.3	21.9
Durable Goods	262.9	262.8	244.7	242.5	0.1	18.2
Lumber & Wood Products	43.2	43.6	42.1 ³	41.1 ³	-0.4	1.1
Furniture & Fixtures	4.3	4.3	4.3	4.2	0.0	0.0
Stone, Clay & Glass	7.7	7.8	7.8	7.8	-0.1	-0.1
Primary Metals	13.3	13.4	13.2 ³	13.0 ³	-0.1	0.1
Aluminum	9.0	9.1	9.1	8.9	-0.1	-0.1
Fabricated Metals	11.7	11.6	11.4	11.3	0.1	0.3
Machinery	34.1	34.1	32.1	31.8	0.0	2.0
Machinery (Exc. Elec.)	19.5	19.7	18.4	18.2	-0.2	1.1
Electrical Equip	14.6	14.4	13.7	13.6	0.2	0.9
Transportation Equip	130.7	130.1	116.8	116.3	0.6	13.9
Aerospace	115.7	115.4	101.8	101.2	0.3	13.9
Other Transp. Equip	15.0	14.7	15.0	15.1	0.3	0.0
Instruments & Related	11.9	11.9	11.5	11.6	0.0	0.4
Misc. Manufacturing	6.0	6.0	5.5	5.4	0.0	0.5
Nondurable Goods	105.7	104.5	102.0	100.7	1.2	3.7
Food & Kindred Products	38.7	37.6	37.1	35.5	1.1	1.6
Canned & Preserved Foods	17.1	15.6	15.7	14.3	1.5	1.4
Apparel & Allied Products	6.4	6.3	6.2	6.3	0.1	0.2
Paper & Allied Products	17.6	17.7	17.3	17.5	-0.1	0.3
Printing & Publishing	22.4	22.2	21.7	21.6	0.2	0.7
Chemicals & Allied Products	10.4	10.4	10.1	10.2	0.0	0.3
Other Nondurable Goods ²	10.2	10.3	9.6	9.6	-0.1	0.6
Mining & Quarrying	3.6	3.6	3.5	3.4	0.0	0.1
Construction	115.8	115.8	105.1	104.9	0.0	10.7
Transp., Comm. & Util	108.7	108.3	104.4	103.8	0.4	4.3
Wholesale & Retail Trade	508.0	511.4	487.1	484.2	-3.4	20.9
Wholesale Trade	124.5	122.7	120.0	117.5	1.8	4.5
Retail Trade	383.5	388.7	367.1	366.7	-5.2	16.4
Fin. Ins. & Real Estate	116.2	116.5	111.1	111.4	-0.3	5.1
Services	480.0	474.2 ³	453.4	448.7	5.8	26.6
Health Services	139.6	139.2 ³	134.6	134.4	0.4	5.0
Government	371.4	351.0	361.0	345.4	20.4	10.4
Federal	73.8	74.2	72.3	73.0	-0.4	1.5
State & Local	297.6	276.8	288.7	272.4	20.8	8.9
Education	148.9	124.5	143.9	123.0	24.4	5.0
Workers in Labor-Management Disputes	0.0	1.3	0.5	2.5	-1.3	-0.5

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

³Workers excluded because of involvement in labor-management disputes.

Resident Labor Force and Employment in Washington State and Labor Market Areas

(Not Seasonally Adjusted)

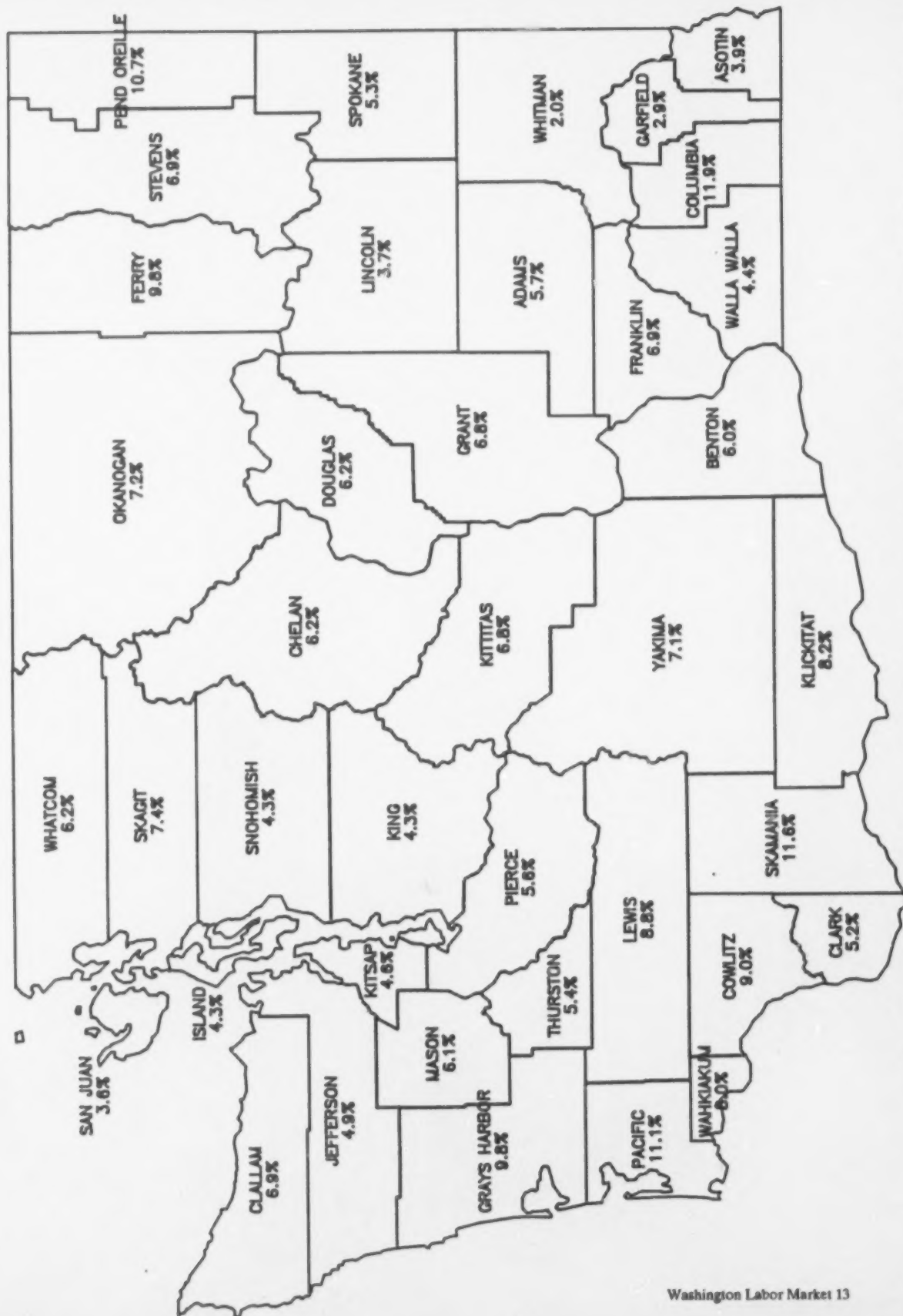
Date: 11/1/89
Benchmark: 1988

	September 1989 Preliminary ¹				August 1989 Preliminary ¹				September 1988 Revised ¹			
	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate	Labor Force	Employment	Unemployment	Rate
Washington State Total	2,382,300	2,257,400	124,900	5.2	2,425,800	2,294,300	131,500	5.4	2,312,000	2,180,300	131,700	5.7
Bellingham MSA	58,500	54,900	3,600	6.2	60,900	57,500	3,400	5.6	57,600	54,000	3,600	6.3
Bremerton MSA	75,900	72,400	3,500	4.6	77,300	73,700	3,600	4.7	75,400	71,500	3,900	5.2
Olympia MSA	76,600	72,500	4,100	5.4	78,000	74,000	4,000	5.1	75,000	70,300	4,700	6.3
Seattle PNSA	1,071,700	1,025,300	46,400	4.3	1,096,200	1,050,700	45,500	4.2	1,020,000	973,400	46,600	4.6
King County ²	848,700	811,800	36,900	4.3	868,300	832,000	36,300	4.2	806,700	770,700	36,000	4.5
Snohomish County ²	223,000	213,500	9,500	4.3	228,000	218,800	9,200	4.0	213,300	202,700	10,600	5.0
Spokane MSA	164,600	155,900	8,700	5.3	169,000	160,000	9,000	5.3	165,800	156,800	9,000	5.4
Tacoma PNSA	249,500	235,500	14,000	5.6	250,500	236,400	14,100	5.6	243,500	229,100	14,400	5.9
Tri-Cities MSA	69,300	65,000	4,300	6.2	70,100	64,700	5,400	7.7	68,100	63,300	4,800	7.0
Benton County ²	53,400	50,200	3,200	6.0	53,600	50,000	3,600	6.7	52,400	48,900	3,500	6.7
Franklin County ²	15,900	14,800	1,100	6.9	16,600	14,700	1,900	11.4	15,700	14,400	1,300	8.3
Vancouver PNSA	118,300	112,100	6,200	5.2	121,700	115,100	6,600	5.4	115,400	109,500	5,900	5.1
Yakima MSA	100,300	93,200	7,100	7.1	99,900	90,000	9,900	9.9	99,700	92,500	7,200	7.2
Adams	7,400	6,980	420	5.7	7,180	6,590	590	8.2	7,380	6,900	480	6.5
Asotin	9,540	9,170	370	3.9	9,770	9,410	360	3.7	9,250	8,840	410	4.4
Chelan	22,610	21,050	1,560	6.9	23,130	21,400	1,730	7.5	23,230	20,720	2,510	10.8
Columbia	1,510	1,330	180	11.9	1,600	1,410	190	11.9	1,570	1,350	220	14.0
Cowlitz	34,970	31,830	3,140	9.0	36,270	33,590	2,680	7.4	35,200	32,090	3,110	8.8
Ferry	3,070	2,770	300	9.8	3,250	3,040	210	9.5	2,930	2,610	320	10.9
Garfield	1,040	1,010	30	2.9	1,100	1,080	20	1.8	1,070	1,030	40	3.7
Grant	27,120	25,280	1,840	6.8	26,650	23,920	2,730	10.2	26,440	24,280	2,160	8.2
Grays Harbor	25,230	22,760	2,470	9.8	25,430	23,110	2,320	9.1	25,990	22,680	3,310	12.7
Island	20,210	19,340	870	4.3	21,000	20,140	860	4.1	19,420	18,630	790	4.1
Jefferson	8,530	8,110	420	4.9	8,560	8,160	400	4.7	8,500	7,960	540	6.4
Kittitas	11,310	10,540	770	6.8	11,510	10,740	770	6.7	11,300	10,380	920	8.1
Klickitat	8,200	7,530	670	8.2	8,560	7,600	960	11.2	7,920	7,050	870	11.0
Lewis	25,070	22,870	2,200	8.8	25,390	23,700	1,690	6.7	25,530	22,550	2,980	11.7
Lincoln	4,070	3,920	150	3.7	4,640	4,490	150	3.2	4,440	4,280	160	3.6
Mason	15,530	14,580	950	6.1	15,440	14,520	920	6.0	12,400	11,390	1,010	8.1
Okanogan	17,360	16,110	1,250	7.2	15,610	13,700	1,910	12.2	16,960	15,490	1,470	8.7
Pacific	7,400	6,580	820	11.1	7,900	7,220	680	8.6	7,350	6,430	920	12.5
Pend Oreille	3,450	3,080	370	10.7	3,610	3,240	370	10.2	3,550	3,130	420	11.8
San Juan	5,900	5,690	210	3.6	6,610	6,470	140	2.1	5,750	5,570	180	3.1
Skagit	35,070	32,490	2,580	7.4	37,280	34,890	2,390	6.4	33,120	30,560	2,560	7.7
Skamania	2,490	2,200	290	11.6	2,550	2,230	320	12.5	2,320	1,910	410	17.7
Stevens	12,340	11,390	950	6.9	12,540	11,650	890	7.1	12,080	11,050	1,030	8.5
Wahkiakum	1,130	1,040	90	8.0	1,280	1,220	60	6.3	1,220	1,020	200	16.4
Walla Walla	23,570	22,530	1,040	4.4	23,810	22,620	1,190	5.0	23,670	22,470	1,200	5.1
Wenatchee Labor Area	43,650	40,940	2,710	6.2	42,730	37,880	4,850	11.4	43,910	40,990	2,920	6.6
Chelan County ²	29,240	27,420	1,820	6.2	28,730	25,360	3,370	11.7	29,640	27,450	2,190	7.4
Douglas County ²	14,420	13,530	890	6.2	13,990	12,510	1,480	10.6	14,270	13,540	730	5.1
Whitman	19,780	19,390	390	2.0	18,840	18,440	400	2.1	18,910	18,490	420	2.2

¹Official U.S. Department of Labor, Bureau of Labor Statistics data.

²Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.



SEPTEMBER 1989 STATEWIDE UNEMPLOYMENT RATE = 5.2 %

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, State of Washington

	Prelim Sept. Production Workers & Nonsupervisory Workers	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
		Sep 89	Aug 89	Sep 89	Aug 89	Sep 89	Sep 88
TOTAL MANUFACTURING INDUSTRIES¹	220,955	\$495.96	\$496.47	39.9	40.2	\$12.43	\$12.00
SELECTED MANUFACTURING INDUSTRIES							
Lumber and Wood Products	35,899	\$427.11	\$437.72	37.4	38.6	\$11.42	\$11.34
Primary Metal Industries	10,435	\$534.52	\$532.56	41.5	42.0	\$12.88	\$12.72
Fabricated Metal Products	9,745	\$502.25	\$481.96	40.9	39.7	\$12.28	\$12.14
Machinery	22,279	\$388.26	\$380.03	39.1	38.7	\$9.93	\$9.82
Food and Kindred Products	29,409	\$366.52	\$368.48	38.5	37.6	\$9.52	\$9.08
Chemical and Allied Products	4,070	\$625.87	\$613.37	40.8	40.3	\$15.34	\$15.22
Transportation Equipment	61,348	\$632.18	\$644.74	42.6	43.8	\$14.84	\$14.72
SELECTED NONMANUFACTURING INDUSTRIES							
Construction	87,006	\$641.47	\$624.54	37.8	37.6	\$16.97	\$16.61
Wholesale and Retail Trade (does not include eating and drinking establishments)	316,695	\$334.62	\$327.94	33.8	33.6	\$9.90	\$9.76
				32.9		\$9.55	

¹ Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

*Washington*

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

November 1989

Highlights

You're Either In Or You're Out

October reflected the best of times for Washington's employment situation. Much of the month-to-month movement showed fairly typical seasonal pattern impacting much of the economic base. Meanwhile, the underlying strength of the economy continued virtually unabated. The combination succeeded in pushing total statewide nonfarm employment to the highest level on record and dropping overall unemployment to the lowest for the year to date. Washington's employment growth mirrors a dynamic economy which thus far evidences no letup either in terms of pattern or duration.

At the same time, October was perhaps as notable for what it did not include as for what it did. The Boeing strike, affecting 43,000 production workers from October 4 to November 22, was not reflected in the Oc-

tober statistics. Nor is it likely to show up in November. The orders of magnitude approach 4 percent of Seattle's total nonfarm employment, and the strike certainly ranks as the most significant disruption since a like walkout in 1977. However, the strike on both ends encompassed only part of the pay period which included the 12th of the month. And by definition, workers are counted by pay period rather than specific cutoff date. Had the strike been included, total statewide nonfarm employment would have fallen in October by 36,000 rather than increasing by 6,800.

No impact would have shown up in the unemployment data. Workers on strike are not counted as unemployed. Hence, the state's jobless rate under either condition dropped one tenth of a percentage point in October to 5.2 percent of the labor force. This registered the lowest jobless figure for the year to date and essentially matched that of October 1988. The comparable national average was only slightly lower at 5.0 percent.

RESIDENT CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT IN WASHINGTON STATE

	Oct. 1989 (prelim.)	Sep. 1989 (revised)	Oct. 1988 (revised)
Resident Civilian Labor Force	2,411,700	2,385,500	2,327,900
Employment	2,287,400	2,258,400	2,206,700
Unemployment	124,300	127,100	121,200
Unemployment Rate	5.2	5.3	5.2
National Unemployment Rate	5.0	5.1	5.0

Data in this table are not seasonally adjusted.

Official U.S. Department of Labor, Bureau of Labor Statistics data.

LABOR FORCE AND EMPLOYMENT

The September-October period typically marks the low point for the year in terms of statewide joblessness. The fact that the overall unemployment rate in the low month was level with a year ago strongly suggests that employment growth and labor force growth are now travelling roughly in sync. Up until now, the jobless rate

had been dropping an average of one percentage point a year from a peak of 12 percent in 1982. But labor shortages have now become an issue in many key areas. It would appear that the state has achieved in 1989 what amounts to not only a seasonal low in joblessness but a cyclical low as well. Further progress in drawing down the overall unemployment rate from here on out will be hard to come by.

Total employment again this month looked largely to be statistical noise. The outsized increase in October followed on the heels of an outsized drop in September. Together, the two months basically offset each other to bring the household-based sample back closer in line with the larger employer-based nonfarm employment series. The year-to-year increase of 80,700 workers should be regarded as the more meaningful measure.

INDUSTRY DEVELOPMENTS

Reopening of colleges and universities more than offset seasonal cutbacks elsewhere in the economy to drive employment up sharply in October. Normal seasonal trend would have dictated a net increase in nonagricultural employment of about 2,400. This year came in at a much heftier 6,800. It was services, however, rather than education that drove the margin higher owing to the dual impact of economic and population growth over the past year.

Public education boosted government employment by 17,300 in the latest month as the regular academic year got underway at the state's major colleges and universities. Meanwhile, private educational institutions, which oftentimes startup later than their public counterparts, rounded out their staffing for the year. The net result brought total employment in education to 188,200, up modestly by 2 percent from October 1988.

Services Smooth Out The Cycle

In contrast, services dipped far less than seasonal in October. Two sectors in particular stood out: lodging and private recreational facilities. If you think you're neighbors are having more fun this year than last, you're absolutely right! A combination of factors would seem to be at work.

For one, recreation and tourism has become an increasingly important year-round activity in Washington, boosted by major convention centers, sports arenas, and destination resort facilities. In addition, the general population has become increasingly health conscious. Witness the plethora of health clubs, diet centers, and weight rooms which have come on the scene in recent years. Both have now reached critical mass sufficient to make a difference.

Secondly, business services has captured a higher proportion of total services activity. Over the past four years, employment in business services has expanded better than 50 percent, and its share of the services economy has jumped from 17 percent in 1985 to 21 percent. Generally, services to business tend to be far less susceptible to seasonal fluctuation; hence their greater presence is likely acting to smooth out some of the overall month-to-month movement in the services sector.

Spring Forward, Fall Back

Countering the October boost in education and atypical strength in services were fairly normal reductions elsewhere in the economy. Lumber and wood products dropped by 600; food processing by 300; and stone, clay, and glass by 200 as the peak summer season faded into fall. A somewhat heavier than usual 400-worker cut-back, however, took place in paper manufacturing. This sector logically acts as a key barometer of the national economy and the consensus forecast underscores a much reduced rate of increase in real GNP for the fourth quarter.

Also reflecting more than seasonal impact, employment in aluminum manufacturing dropped 200 in October and stood 300 below the peak of 9,100 in July. The industry built up rapidly over the past three years with reopening of two closed smelters in 1987 and production pushing against capacity since 1988. This year witnessed a marked dropoff in housing and auto production. It appears that shortfall is now working its way back through the pipeline. Aluminum production nationally fell in October for the third consecutive month to an annual rate of 3.84 million metric tons from a peak of 4.1 million in the first half.

*On The Credit Side Of The
Ledger*

Aerospace and other transportation equipment manufacturing, meanwhile, added 300 workers each from September to October. The aerospace addition was relatively modest considering the 900-worker a month average since the beginning of the year. But the expansion continued despite the overwhelming impact of the machinists' strike. Boeing production over the seven-week strike period came to a virtual standstill, causing slippage in delivery schedules and unquestionably drawing down the U.S. balance of trade statistics for the fourth quarter. Boeing ranks as the nation's third largest exporter with overseas sales approximating \$1 billion a month. Return to work has become an urgent matter of catchup.

On the other hand, the expansion in shipbuilding over the month was *very* significant. All of the increase centered at the major shipyards representing additional repair and modification work. Only a couple years ago, the vitality of the shipbuilding industry in the Pacific Northwest was seriously questioned. Since July, employment in shipbuilding has shot up by a third to 5,300 workers.

*Construction Continues To
Break Records*

Employment in construction dropped seasonally by 1,000 workers in October, but the level of 114,900 workers represented the highest for the month on record. As with previous months, the movement in October was shared near equally by the three major components: housing, nonresidential building, and heavy construction. Widespread strength in construction has accompanied the entire seven years of economic expansion, driving payrolls in the industry up nearly 50 percent since 1982.

Moreover, the need continues. Housing starts last year jumped nearly 20 percent to a high of 45,000 units. Roughly three-quarters of that increase centered in multi-family dwellings. This year, housing starts through the third quarter are up another 3 percent with all of that increase for additional single family units. Nonetheless, rental vacancy rates in the greater central Puget Sound area have plummeted to the lowest in a decade. Seattle housing prices have jumped close to 25 percent over the past year - the highest of any

Retailers Capture The Big Picture

12-Month Pace Second Highest In The Nation

metropolitan area in the nation according to the National Association of Realtors.

Trade employment in Washington dropped seasonally by 3,400 workers in October as restaurants and gasoline stations signaled an end to the summer tourist season. The retrenchment was significantly heavier than a year ago, but basically in line with previous trend. The pullback at restaurants and fast food outlets following very nontypical reductions in September narrowed the increase in that sector to within 2 percent of a year ago. The difference through the first half had registered on the order of 6 percent.

Only Nevada has posted a higher rate of nonfarm employment growth than Washington over the past 12 months. Washington's 4.9 percent October-to-October expansion contrasts with 5.5 percent for Nevada and 2.7 percent for the nation as a whole. It should be noted that Washington's economy is close to four times larger than that of Nevada, the increase of 97,100 in the Evergreen State standing against 30,400 in the Gem State.

Over the past seven years, Washington's nonfarm employment has increased by a third or 510,000 workers. The rate of increase compares favorably with both the 1963-69 and 1975-80 upcycles. But the numbers are significantly larger given that the takeoff has been from a much higher base. The expansion of the 1960's totalled roughly 285,000; that of the latter-half of the 1970's reached 410,000. In all three cases, aerospace played a pivotal role. Aerospace has directly accounted for roughly 10 percent of the current expansion; trade and services by more than half.

In addition, widespread strength continues to be the case through October. Trade and services employment was higher than a year ago by 20,900 and 25,600, respectively. Mirroring the general pace of the economy, both construction and government were up roughly 10,000 each. The rate of employment increase in construction over the past 12 months has exceeded the national average by better than 3 to 1; trade and finance, insurance, and real estate by 2 to 1. The standout, however, is manufacturing with its high direct multiplier

which proceeds to build locally in the face of no growth nationally. October-to-October payrolls in durable and nondurable goods production was up 20,500 or nearly 6 percent.

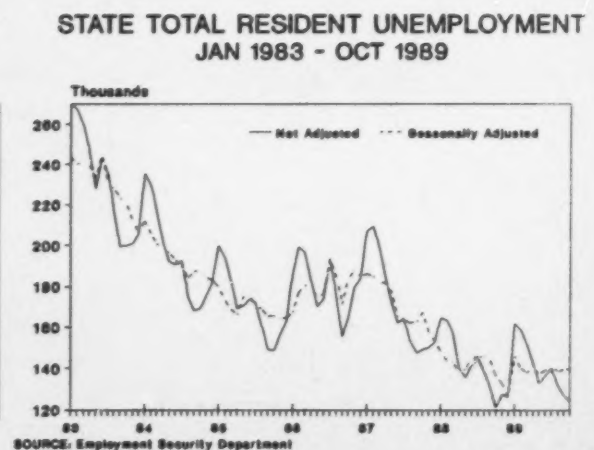
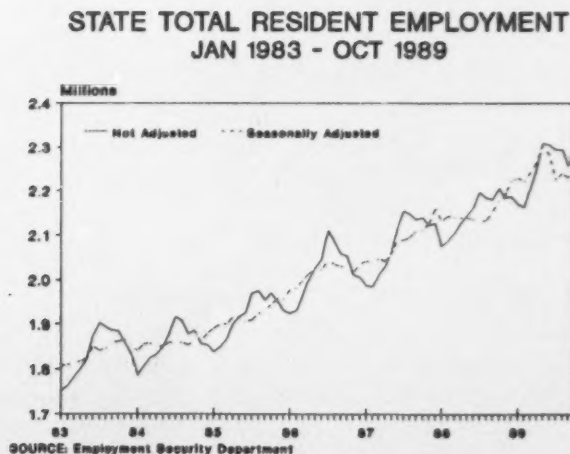
AREA TRENDS

The Best Of The Seasons

Reopening of colleges and universities dropped unemployment in the metropolitan areas by one-tenth of a percentage point in October to 4.9 percent of the labor force - lower than both the state and national averages. Understandably, the Seattle PMSA witnessed the largest improvement over the month, dropping from 4.4 percent to a scant 4.0 percent. This was the lowest of any month over the past 20 years save December 1988 when it was also 4.0 percent. Tacoma and Spokane stood slightly higher at 5.4 percent and 5.6 percent, respectively.

Offsetting Resource-Based Economies

As agriculture-food processing turned from its seasonal peak, area jobless in eastern Washington heightened in October from 6.1 percent to 6.5 percent on average. In contrast, the delayed impact of seasonal factors in the timber industry kept the economies of the logging and lumber-dependent areas of the state moving forward. Accordingly, unemployment rates in such areas as Mason, Grays Harbor, and Lewis counties dropped by a half to a full percentage point over the month to their seasonal lows for the year.



INDUSTRY NOTES

Future Power Constraints

The Bonneville Power Administration - federal marketer of half the Pacific Northwest's power supply - has put the region on notice of impending shortages by 1991. At the current rate of growth, the system appears to be facing an 11 megawatt deficit within two years. The amount is not huge considering the 8,400 megawatt generating capacity. But the turnabout is stark from what was estimated only last year to be a 400 megawatt surplus through the 1990's. Driving demand is a stronger than expected regional economy. Increased conservation efforts and small supplemental generating plants offer the most practical short-run solution. This logically translates, however, into additional federal spending and higher electricity rates.

Again The Phoenix Rises

An expanding Hanford workforce is once again boosting the economy of the Tri-Cities area. Closure of the N-Reactor and loss of potential planned additional contract work in 1988 forced payrolls at Hanford to drop by 2,200 in the 15 months to April 1989. Staffing went from 14,552 to a low of 12,353. Total employment in the Tri-Cities MSA immediately fell off. Over the past six months, however, payrolls among the three principal contractors have increased nearly 700 and another 750 are expected to be added within the next year.

Environmental cleanup and molecular science are providing the current upward thrust. Since 1987, Battelle Northwest has invested \$8 million in the molecular science program at Hanford. Congress has authorized \$6 million for staff, equipment, and research for the center which Battelle plans to house in a \$135 million laboratory covering 187,000 square feet. Over the next 12 months, Battelle is expected to hire up to 350 more workers; Westinghouse Hanford, 230; and Kaiser Engineers Hanford, 170. These additions substantially heighten the economic prospects for the Tri-Cities economy into 1990.

Spokane Wins One, Loses One

Within the Spokane economy, Instrumentation Laboratories has announced plans to close its clinical equipment manufacturing plant by the end of next year. The shutdown will cost 100 jobs. Inefficiencies owing to distance from the corporate headquarters in Lexington,

Tacoma Widens Its Take

NATIONAL INDICATORS

Inflation Under Wraps

Massachusetts were cited as the cause. Operations will be consolidated with the parent corporation.

At the same time, the Defense Department announced the selection of Fairchild Air Force Base near Spokane as a site for deployment of the MX nuclear missile. Events in Eastern Europe leave the program in question. But if funded, the project would pump \$80 million into the Spokane area economy and create 950 jobs at the height of construction in 1991-92. Fairchild is home to the 92nd Bombardment Wing utilizing B-52 aircraft.

On the other side of the state, the U.S. Commerce Department approved expanding the Port of Tacoma's foreign trade zone. An addition 248 acres will be added to the 638-acre site used as a major staging point for distribution of foreign-made goods. Last year, an estimated \$688 million worth of goods were processed within the zone - the biggest volume of any such zone in the nation. Principal users currently include Mazda and General Motors; potential users of the added space will likely include Kawasaki Thermal Systems. Employment in the zone totals 250.

Inflation at the wholesale level slowed in October with the producer price index rising 0.4 percent after a 0.9 percent spurt in September. Energy costs in particular subsided over the month after pacing much of the September advance. Food prices, on the other hand, shifted gears from a decline of 0.6 percent in the previous month to a modest 1.4 percent advance. The latter was largely the result of weather impacting southern vegetable crops. There was no increase in prices of goods at the intermediate and crude stages of production. Wholesale prices have risen at a 5.2 percent annual rate through the first 10 months of 1989.

Further along the pipeline, higher costs of housing and transportation translated into a 0.5 percent increase in the consumer price index from September to October. This was the biggest jump since May. The deceleration of the economy, however, should act to constrain inflationary pressures in the coming months. Overall, the consumer price index advanced 4.6 percent from

Manufacturing Still On The Skids

January through October, essentially unchanged from 4.4 percent in both 1987 and 1988.

Orders for big-ticket durable goods nationally fell 0.6 percent in October - the second month of decline. The drop was sharper than expected and gave further evidence of slack in U.S. industrial activity. Economists expect manufacturing to remain lackluster through the first half of 1990 although not sufficient to trigger an economic recession. Transportation orders rose 3 percent over the month to recoup some of the horrendous 10 percent slide in September. But military orders overwhelmed the total by dropping 12 percent over the month.

Collaterally, industrial production also fell in October. The 0.7 percent month-to-month slide was the steepest in more than three years. An earthquake in California and a near month-long strike at the Boeing Company were significant contributors. Barring these extraordinary events, production would have likely been flat. Nevertheless, the numbers clearly indicate a weakened industrial core. Production of business equipment and both durable and nondurable consumer goods weakened over the month.

Giving The Fed Space To Maneuver

Meanwhile, interest rates plunged sharply in October, driving housing starts up after two months of consecutive decline. Work began on houses and apartments at a 1.42 million unit annual rate up 12 percent from September. This was the largest month-to-month jump in nearly three years, but the level of starts simply returned to that of July before the late-summer plunge. The Western Wood Products Association expects national housing starts to continue at an average 1.4 million unit pace through the fourth quarter.

CONSUMER PRICE INDEX

(All Items, Urban Consumers, 1982-1984=100)

	INDEXES			% CHANGE FROM	
U.S. AVG	Oct. 89	Sep. 89	Oct. 88	Sep. 89	Oct. 88
	125.6	125.0	120.2	0.5%	4.5%
SEATTLE*	Jan-Jun 1989	Jul-Dec 1988		Jan-Jun 1988	
	116.7	111.9		4.3%	

* The index for Seattle reflects prices in King, Pierce, and Snohomish counties.

Source: U.S. Department of Labor, Bureau of Labor Statistics.

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands)

Industry	Oct 1989 (Prel)	Sep 1989 (Rev)	Oct 1988 (Rev)	Sep 1988 (Rev)	Numeric Change	
					Sep 1989 to Oct 1989	Oct 1988 to Oct 1989
TOTAL NONAG. WAGE AND SALARY . . .	2081.7	2074.9	1984.6	1972.3	6.8	97.1
MANUFACTURING	367.6	368.8	347.1	346.7	-1.2	20.5
Durable Goods	262.4	262.9	245.8	244.7	-0.5	16.6
Lumber & Wood Products	42.5	43.1	42.3 ³	42.1 ³	-0.6	0.2
Furniture & Fixtures	4.4	4.4	4.3	4.3	0.0	0.1
Stone, Clay & Glass	7.5	7.7	7.7	7.8	-0.2	-0.2
Primary Metals	13.1	13.3	13.2 ³	13.2 ³	-0.2	-0.1
Aluminum	8.8	9.0	9.0	9.1	-0.2	-0.2
Fabricated Metals	11.7	11.8	11.4	11.4	-0.1	0.3
Machinery	34.1	34.0	31.8 ³	32.1	0.1	2.3
Machinery Except Electrical	19.5	19.5	18.6	18.4	0.0	0.9
Electrical Equipment	14.6	14.5	13.2 ³	13.7	0.1	1.4
Transportation Equipment	131.3	130.7	118.0	116.8	0.6	13.3
Aerospace	116.0 ⁴	115.7	102.9	101.8	0.3	13.1
Other Transportation Equipment	15.3	15.0	15.1	15.0	0.3	0.2
Instruments & Related	11.7	11.9	11.6	11.5	-0.2	0.1
Miscellaneous Manufacturing	6.1	6.0	5.5	5.5	0.1	0.6
Nondurable Goods	105.2	105.9	101.3	102.0	-0.7	3.9
Food & Kindred Products	38.5	38.8	36.5	37.1	-0.3	2.0
Canned & Preserved Foods	16.8	17.1	15.4	15.7	-0.3	1.4
Apparel & Allied Products	6.4	6.4	6.2	6.2	0.0	0.2
Paper & Allied Products	17.2	17.6	17.0	17.3	-0.4	0.2
Printing & Publishing	22.4	22.4	21.8	21.7	0.0	0.6
Chemicals & Allied Products	10.4	10.4	10.1	10.1	0.0	0.3
Other Nondurable Goods ²	10.3	10.3	9.7	9.6	0.0	0.6
MINING & QUARRYING	3.5	3.6	3.5	3.5	-0.1	0.0
CONSTRUCTION	114.9	115.9	104.7	105.1	-1.0	10.2
TRANSP., COMM., & UTIL.	107.9	108.5	103.6	104.4	-0.6	4.3
TRADE	507.2	510.6	486.3	487.1	-3.4	20.9
Wholesale Trade	123.6	124.7	119.3	120.0	-1.1	4.3
Retail Trade	383.6	385.9	367.0	367.1	-2.3	16.6
FIN., INSUR., & REAL ESTATE	115.7	116.3	110.8	111.1	-0.6	4.9
SERVICES	479.1	479.6	453.5	453.4	-0.5	25.6
Health Services	139.7	139.5	134.7	134.6	0.2	5.0
GOVERNMENT	385.8	371.6	375.1	361.0	14.2	10.7
Federal	73.5	73.8	71.7	72.3	-0.3	1.8
State & Local	312.3	297.8	303.4	288.7	14.5	8.9
Education	166.0	148.7	162.6	143.9	17.3	3.4
WORKERS IN LABOR-						
MANAGEMENT DISPUTES	0.0	0.0	0.5	2.5	0.0	-0.5

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

³Workers excluded because of involvement in labor-management disputes.

⁴Labor dispute in aerospace affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period which included the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 12/5/89
Benchmark: 1988

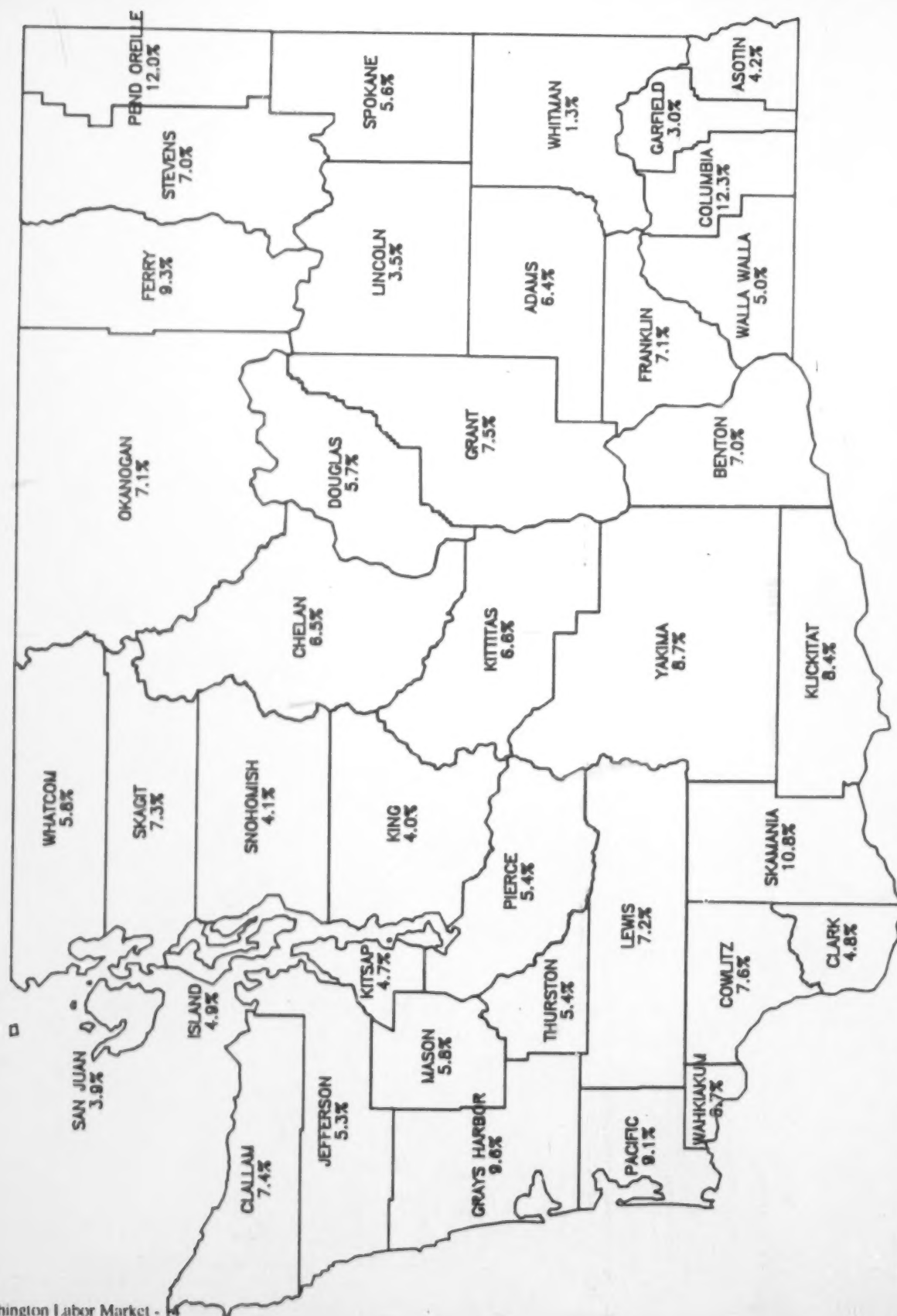
(Not Seasonally Adjusted)

	October 1989 Preliminary†				September 1989 Revised†				October 1988 Revised†			
	Labor Force	Employ- ment	Unem- ployment	Rate	Labor Force	Employ- ment	Unem- ployment	Rate	Labor Force	Employ- ment	Unem- ployment	Rate
Washington State Total	2,411,700	2,287,400	124,300	5.2	2,385,500	2,258,400	127,100	5.3	2,327,900	2,206,700	121,200	5.2
Bellingham MSA	59,200	55,700	3,500	5.9	59,900	56,600	3,300	5.5	59,600	56,100	3,500	5.9
Bremerton MSA	76,800	73,300	3,500	4.6	76,000	72,500	3,500	4.6	75,700	72,000	3,700	4.9
Olympia MSA	77,500	73,500	4,000	5.2	76,800	72,800	4,000	5.2	75,300	70,900	4,400	5.8
Seattle PMSA	1,085,100	1,038,900	46,200	4.3	1,078,200	1,034,300	43,900	4.1	1,038,000	992,900	45,100	4.3
King County‡	859,460	822,600	36,800	4.3	854,000	818,900	35,100	4.1	821,300	786,200	35,100	4.3
Snohomish County‡	225,700	216,300	9,400	4.2	224,200	215,300	8,900	4.0	216,700	206,700	10,000	4.6
Spokane MSA	166,700	158,000	8,700	5.2	166,100	157,400	8,700	5.2	168,600	159,800	8,800	5.2
Tacoma PMSA	252,600	238,600	14,000	5.5	246,300	232,700	13,600	5.5	245,600	231,800	13,800	5.6
Tri-Cities MSA	70,100	65,800	4,300	6.1	68,900	63,700	5,200	7.5	67,400	62,700	4,700	7.0
Benton County‡	54,000	50,800	3,200	5.9	52,600	49,200	3,400	6.5	52,000	48,500	3,500	6.7
Franklin County‡	16,100	15,000	1,100	6.8	16,300	14,500	1,800	11.0	15,500	14,300	1,200	7.7
Vancouver PMSA	119,800	113,600	6,200	5.2	119,700	113,300	6,400	5.3	114,800	109,300	5,500	4.8
Yakima MSA	101,600	94,500	7,100	7.0	98,200	88,600	9,600	9.8	97,800	90,300	7,500	7.7
Adams	7,490	7,070	420	5.6	7,050	6,480	570	8.1	6,790	6,330	460	6.8
Asotin	9,650	9,290	360	3.7	9,610	9,260	350	3.6	9,360	8,960	400	4.3
Challam	22,890	21,330	1,560	6.8	22,740	21,060	1,680	7.4	22,570	21,060	1,510	6.7
Columbia	1,510	1,340	170	11.3	1,570	1,390	180	11.5	1,500	1,310	190	12.7
Cowlitz	35,380	32,250	3,130	8.8	35,650	33,060	2,590	7.3	35,470	33,160	2,310	6.5
Perry	3,100	2,810	290	9.4	3,200	2,900	300	9.4	2,780	2,530	250	9.0
Garfield	1,050	1,020	30	2.9	1,080	1,060	20	1.9	1,050	1,020	30	2.9
Grant	27,440	25,610	1,830	6.7	26,180	23,540	2,640	10.1	24,510	22,800	1,710	7.0
Grays Harbor	25,520	23,060	2,460	9.6	24,990	22,750	2,240	9.0	24,650	22,570	2,080	8.4
Island	20,470	19,600	870	4.3	20,670	19,830	840	4.1	19,180	18,380	800	4.2
Jefferson	8,640	8,220	420	4.9	8,420	8,030	390	4.6	8,280	7,840	440	5.3
Kittitas	11,450	10,680	770	6.7	11,320	10,570	750	6.6	11,440	10,720	720	6.3
Klickitat	8,300	7,630	670	8.1	8,410	7,490	920	10.9	7,400	6,820	580	7.8
Lewis	25,370	23,180	2,190	8.6	24,960	23,330	1,630	6.5	24,700	22,930	1,770	7.2
Lincoln	4,120	3,970	150	3.6	4,570	4,420	150	3.3	4,320	4,150	170	3.9
Mason	15,720	14,770	950	6.0	15,180	14,290	890	5.9	12,710	11,920	790	6.2
Okanogan	17,560	16,320	1,240	7.1	15,320	13,480	1,840	12.0	19,120	17,710	1,410	7.4
Pacific	7,490	6,670	820	10.9	7,770	7,110	660	8.5	7,250	6,740	510	7.0
Pend Oreille	3,490	3,120	370	10.6	3,550	3,190	360	10.1	3,390	3,040	350	10.3
San Juan	5,970	5,760	210	3.5	6,500	6,360	140	2.2	5,020	4,840	180	3.6
Sagit	35,480	32,920	2,560	7.2	36,650	34,340	2,310	6.3	32,270	29,940	2,330	7.2
Skamania	2,520	2,230	290	11.5	2,510	2,200	310	12.4	2,130	1,880	250	11.7
Sevens	12,380	11,540	840	6.8	12,330	11,470	860	7.0	11,640	10,820	820	7.0
Wahkiakum	1,150	1,060	90	7.8	1,180	1,100	80	6.8	1,180	1,100	80	6.8
Walla Walla	23,860	22,830	1,030	4.3	23,420	22,260	1,160	5.0	23,280	22,120	1,160	5.0
Wenatchee Labor Area	44,180	41,480	2,700	6.1	41,970	37,280	4,690	11.2	41,540	37,280	4,260	10.2
Chelan County‡	29,590	27,780	1,810	6.1	28,230	26,260	1,970	7.0	29,770	27,820	1,950	6.6
Douglas County‡	14,590	13,700	890	6.1	13,750	12,320	1,430	10.4	14,430	13,720	710	4.9
Whitman	20,040	19,650	390	1.9	18,540	18,150	390	2.1	19,060	18,660	400	2.1

†Official U.S. Department of Labor, Bureau of Labor Statistics data.

‡Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.



OCTOBER STATEWIDE UNEMPLOYMENT RATE = 5.2%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, State of Washington

	Prelim Oct Production Workers & Nonsupervisory Workers	Average Weekly Earnings		Average Weekly Hours		Average Hourly Earnings	
		Oct 89	Sep 89	Oct 89	Sep 89	Oct 89	Sep 89
TOTAL MANUFACTURING INDUSTRIES†	220,453	\$404.71	\$495.98	34.2	40.0	\$11.82	\$12.39
SELECTED MANUFACTURING INDUSTRIES							
Lumber and Wood Products	35,197	\$463.49	\$425.25	40.8	37.5	\$11.36	\$11.34
Primary Metal Industries	10,240	\$566.10	\$554.66	42.5	41.3	\$13.32	\$13.43
Fabricated Metal Products	9,628	\$465.21	\$477.30	38.8	38.9	\$11.99	\$12.27
Machinery	22,055	\$391.72	\$388.05	38.9	39.0	\$10.07	\$9.95
Food and Kindred Products	29,378	\$368.28	\$363.06	39.6	38.5	\$9.30	\$9.43
Chemical and Allied Products	4,046	\$616.97	\$629.85	41.8	42.5	\$14.76	\$14.82
Transportation Equipment	61,902	\$292.52	\$639.72	20.6	43.4	\$14.20	\$14.74
SELECTED NONMANUFACTURING INDUSTRIES							
Construction	85,672	\$628.67	\$644.11	37.6	37.8	\$16.72	\$17.04
Wholesale and Retail Trade (does not include eating and drinking establishments)	318,470	\$336.87	\$341.55	34.2	34.5	\$9.85	\$9.90

†Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

December 1989

Highlights

Economic Thrust Overwhelms Seasonal Pattern

Washington's nonfarm employment surged ahead in November at a time when normal seasonal factors would dictate a pullback. Rather than dropping an expected 6,000 over the month, statewide payroll employment actually *increased* by 3,800. Fairly typical reductions occurred in the resource based industries — agriculture, food processing, and forest products manufacturing — but services and trade shot up to provide more than compensating offset. In all likelihood, the month-to-month movement will prove an aberration with release of the December figures. But in the meantime, the year-to-year change mounted in November to the highest for the month since 1978.

Unemployment was not comparably affected. The state's jobless rate rose typically by three-tenths of a percentage point over the month to 5.5 percent from a low of 5.2 percent in October. This change basically fol-

lowed seasonal trend as the economy shifts toward its seasonal low. A similar pattern occurred nationally with the jobless rate rising a comparable two-tenths of a percentage point to 5.2 percent. Both matched their respective levels for the same month a year earlier.

RESIDENT CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT IN WASHINGTON STATE

	Nov 1989 (Prelim.)	Oct 1989 (Revised)	Nov 1988
Resident Civilian Labor Force	2,399,900	2,416,000	2,311,600
Employment	2,267,300	2,290,000	2,206,700
Unemployment	132,600	126,000	121,200
Unemployment Rate	5.5%	5.2%	5.5%
National Unemployment Rate	5.2%	5.0%	5.2%

Data in this table are not seasonally adjusted.

Official U.S. Department of Labor, Bureau of Labor Statistics data.

LABOR FORCE AND EMPLOYMENT

An end to the apple harvest was largely responsible for a net 22,000 drop in total employment in November. Typically, the month witnesses a drawdown in both labor force and employment before the Christmas buying season boosts activity inordinately in December. The trend was basically in line with a year earlier and the November-to-November margin held firm at 83,000.

For the year to date, total employment has averaged 105,000 or nearly 5 percent higher than 1988. This compares favorably with a cumulative 98,000 increase in nonfarm employment despite erratic fluctuations between the two series in recent months. The national average, meanwhile, has held to a much lower 2 percent rate of increase over the 11-month period.

Unemployment has been level with the prior year for the past two consecutive months after dropping an average of one percentage point annually since 1983. Both October and November were level nationally as well. On a seasonally adjusted basis, Washington's jobless rate actually dropped two tenths of a percent over the month to 5.7 percent.

INDUSTRY DEVELOPMENTS

Only once in the past ten years has nonfarm employment not declined in November and that occurred in 1988 owing to extraordinary ongoing expansion in both aerospace and services. This year's uptick of 3,800 centered predominately in retail trade where payrolls jumped 6,600 as opposed to a more usual 4,000. New and expanded retail outlets in the major metropolitan areas are looked upon as the primary causal factor. In addition, education (+ 4,800) and services (+ 800) also registered higher than expected.

Another factor at work in November was the Boeing strike, although not officially reported due to timing with respect to payroll cutoff dates. Nonetheless, the 7-week strike continued well into late-November. Logically, it would be safe to assume that some Boeing workers or members of their immediate families took temporary jobs in various services industries as the lengthy strike proceeded to drag on.

Seasonal Players Pull Back

Lower activity in the resource-based industries brought fairly typical cuts over the month in agribusiness and forest products manufacturing. Employment in food processing dropped by 2,400. Likewise, the lumber and wood products industry scaled back by 500 mostly in logging as weather once again became a constraining factor.

Equally impacted was a 4,100 loss in construction fairly evenly distributed among building, heavy construction, and special trade contractors. The level of activity, nonetheless, continued to hold employment in November at 108,200 – the highest for the month on record. Area contractors have been hard pressed to meet burgeoning demand coming out of a robust economy and population growth running double the national average.

Planes and Ships Add More

Shipbuilding has joined aerospace in boosting employment in transportation equipment manufacturing significantly both over the month and over the year. The major shipyards added 600 workers in the latest month to an industry total exceeding 6,000. Employment has jumped better than 50 percent over the past six months owing to additional repair and modification work.

At the same time, aerospace payrolls expanded by another 500 in November to 116,500. Additions for the year to date measured 10,400 compared to 8,300 for all

of 1988. As the industry has proceeded to expand at a rate greater than that of the total economy, its presence in the scheme of things has progressively heightened. Aerospace as a share of manufacturing employment has gone from a low of 22 percent in 1983 to 32 percent in 1989. At the previous high for the industry in 1968, it registered 36 percent.

Year-to-Year Comparisons Continue Strong

The strength in November's overall employment pattern acted to widen the year-over-year margin. Statewide nonfarm employment stood 104,900 higher than a year ago in the latest month — the biggest annual increase for November in more than a decade. Understandably, the biggest increases over the 12-month period continue to be centered in trade (+ 26,100) and services (+ 28,200) which have paced the economy throughout the 7 years of expansion.

The cause of the strong uptick in services and trade revolves around a combination of primary and secondary impacts. Growth in manufacturing, particularly those industries with high employment multipliers, has generated additional demand throughout Washington's service economy. Recent population growth has been a driving factor jumping from an average of 1.2 percent a year in 1985-87 to 2.1 percent over the past two years. And, finally, expansion in such primary services activities as computer software, data processing, advertising, and tourism has generated demand quite separate from that of the state economy.

Some of the standouts in terms of job growth over the past year include business services (+ 8,300) and health care (+ 3,600). Retailing has been dominated by growth at area food stores (+ 6,900). And both resident and visitor impact must be considered in looking at the payroll expansion over the past 12 months at restaurants and drinking establishments (+ 4,700) and amusement and recreational facilities (+ 3,700).

Much of Washington's services economy has expanded over the past year at a pace fully two to three times greater than the national average. Even more to the point, manufacturing locally has held up strongly at a time when national industrial production has fallen off. Statewide manufacturing employment in November, for

example, stood 5 percent or 18,200 workers *above* a year earlier in contrast to a 0.2 percent *decline* nationwide. Roughly 60 percent of that growth has come in aerospace; the remaining 40 percent in other manufacturing. Such momentum this late in the business cycle has largely been responsible for the ongoing strength of Washington's economy through 1989. And substantial carryover will likely impact the early months of 1990.

IMPACT OF CHANGING TIMBER POLICIES

National forest timber supply policy is in the throes of vastly restructuring the Pacific Northwest's lumber and wood products industry. Land management plans being developed in 1989 under the National Forest Management Act looked to reduce available federal timber cut in the region by an average of 20 percent over the next ten years. But added to this issue came mounting preservationist and environmental efforts to set aside ecological reserves of old growth timber beyond that proposed by the U.S. Forest Service. The resultant loggerhead (pun intended) eventually led to a one-year stop-gap Congressional compromise. The Forest Service is to have final plans for managing the national forests in the 1990's in hand by late September.

Forest products manufacturing represents a \$9 billion industry in the State of Washington with 60,000 workers on average in 1989. As a share of statewide activity, the industry accounts for roughly 20 percent of manufacturing gross output and a near equal share of total manufacturing employment. The proportions are much larger in several communities of western Washington where forest products dominates. Because of the seriousness postured by supply constraints to this industrial base, the Economic and Policy Analysis unit of this branch was called upon to measure the logical labor market impact.

A Matter of Supply

Best estimates of available timber harvest in Washington for 1990 are approximately 6.1 billion board feet. The estimate of actual 1989 harvest came in at about 7.4 billion board feet. These reductions over the year are assumed to be across the board: 15 percent less from U.S. forests lands, 6 percent less cut on Department of Natural Resource holdings, and 19 per-

cent less from private ownerships. The net result brings the harvest for the year close to the 6.1 billion board feet figure for 1983.

To compare the number of employed with the timber harvest in that year would ignore the significant productivity gains which have occurred in the interim. A million board feet of output in 1983 required an average of 7 workers in Washington's lumber and wood products industry. That figure today measures 5.7 workers. Applying the current labor ratio to the expected timber shortfall and assuming reasonable inventory carryover constituted the basic methodology.

A Range of Employment Impacts

Three scenarios were offered. In the worst case (assuming no inventory carryover) employment in lumber and wood products would drop from an average of 42,600 in 1989 to 35,700 in 1990 — a loss of 6,900 jobs. In the most likely scenario, a significant inventory carryover would boost employment in all sectors other than logging. Employment under these assumptions would decline to 36,700 — a loss of 5,900 workers. The best case assumed some adjustment toward shorter hours; the net effect brought employment for the year to 37,700 — a loss of 4,900 jobs.

Lost wages would measure on the order of \$167 million under the worst case and \$119 million under both alternatives. The best case assumes a cut in hours, hence the net result equals the wage impact under the moderate scenario. If the earnings and employment multipliers from the 1982 *Washington Input Output Study* are applied, the direct and indirect impact of the job loss upon the total state economy could be anywhere from 14,500 to 20,400 and the wage loss could range from \$294 million to \$415 million.

Regions Within Regions

Whatever cutbacks occur, the impacts will not be uniform across the state. The most serious implications are to the economies of the Olympic Peninsula and Southwest Washington. Both areas rely heavily upon logging and forest products manufacturing for their livelihood. In four counties (Clallam, Grays Harbor, Wahkiakum, and Skamania), forest products represents upwards of three-quarters of all manufacturing. Additional impact would come in transportation services

where an estimated 600 worker loss might be expected to occur principally in trucking. A reduction in water-borne exports, moreover, could weigh heavily upon those ports throughout the state keyed specifically to the shipment of forest products.

Other Issues

In the short run, it is safe to assume that any restriction of product in a given market will likely lead to some price increase. How much is uncertain. But the impact would undoubtedly wind its way through building materials to eventually affect the cost of housing. Over the longer term, some measure of substitution with alternative building materials might logically be expected. At this juncture, however, all that is known is that action to restrict timber supply will configure the forest products industry of the Pacific Northwest differently from that of the past. This study was one attempt to measure the implications of that change.

**Logging and Lumber Employment
Washington State, 1980-1990**

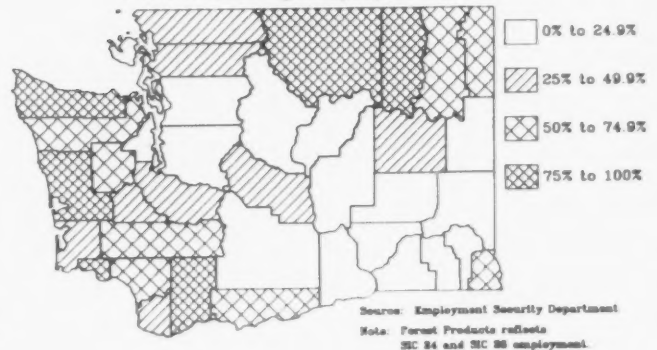


AREA TRENDS

Puget Power

November unemployment in the Seattle Metropolitan Area dropped two tenths of percentage point to 3.9 percent — the lowest of any month since October 1968. This marked the first time in 21 years that the rate of joblessness in the PMSA moved below 4 percent. By all indicators, this signals what amounts to a full employment economy at the local level. Over the past five years, the two-county area, which holds 50 percent of the state's population, has accounted for fully 60 percent of the state's total nonfarm job increase. Tacoma and Spokane registered closely in line with the statewide average in

**Timber Dependent Counties in Washington State
Forest Products as a Percent of
Manufacturing Employment, 1988**



the latest month at 5.2 percent and 5.7 percent, respectively.

Seasonals Elsewhere

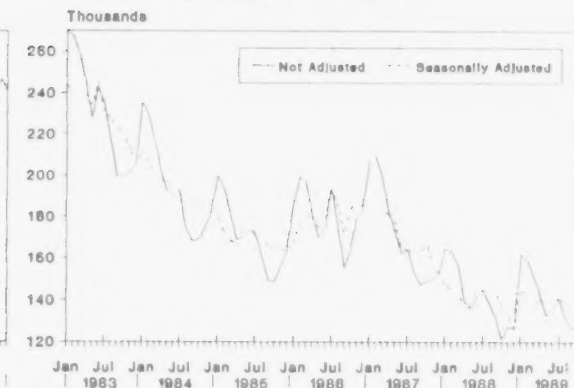
With seasonal downturns in agriculture and forest products, area joblessness in the resource-based economies heightened over the month. The lumber-dependent counties shifted from 7.7 percent unemployed in October to 9.0 percent in November. Likewise, eastern Washington moved up from 6.6 percent to 8.4 percent. The latter stood roughly a percentage point higher than the same month a year earlier. Economic conditions in those areas, however, have not materially changed over the year. Part of the explanation is likely the settling in process taking place among migrant farm workers as a result of the 1987 Immigration Reform and Control Act.

State Total Resident Employment
Jan 1983 - Nov 1989



SOURCE: Employment Security Department

State Total Resident Unemployment
Jan 1983 - Nov 1989



SOURCE: Employment Security Department

INDUSTRY NOTES

Boeing Backsteps

The Boeing Company has announced a 5,000-worker reduction for 1990—the first major pullback in employment in six years. The adjustment is expected to be accomplished half through layoffs and half through normal attrition. Roughly 1,700 production workers are scheduled to be released between March and April with another 800 cut sometime before the end of the year. Defense cutbacks and improved efficiencies on the 747-400 are the primary causal factors. Boeing's workforce in the Puget Sound area has climbed to record highs in

recent years; the adjustment is from a very high base. Moreover, the Seattle area unemployment rate currently stands at a 20-year low with shortages of skilled workers in many key industries providing something of a ready market.

Hanford Nets Out At 300

Under the President's proposed 1991 fiscal year budget, funding for the Hanford Nuclear Reservation would jump 22 percent next year to a record \$1.2 billion. The news has mixed blessings, however. Included is a plan to close the 10-year old Fast Flux Test Facility (FFTF) directly impacting 1,100 workers; 300 in fiscal 1991. On the flip side is additional spending for waste cleanup and environmental restoration. Employment in this area would increase from approximately 4,600 to 5,300. The net result would be 300 new jobs, boosting Hanford employment from 13,100 to 13,400 workers.

Peace Dividend Is An Add-on

On balance, Washington State is looked to benefit from defense cuts proposed for the 1990's. A Pentagon plan would deactivate the 9th Infantry Division at Fort Lewis but replace it with the 7th Infantry Division currently stationed at Fort Ord. The net result would be a 3,000 troop *increase* at the Tacoma military base by 1993. Temporarily, the military population would drop from 22,000 to 16,000 in 1992 as the 9th Division is disbanded. But thereafter it would build to a strength of 25,000. Included in the proposed 1991 defense budget is \$108 million for the rail based MX missile system at Fairchild AFB near Spokane; \$22 million for continued construction of the Navy's aircraft carrier homeport at Everett; and \$56 million for ongoing construction at the Trident submarine base at Bangor. In addition, proposed closure of the Long Beach CA Naval Shipyard would mean a likely shift of workload to the Puget Sound Naval Shipyard in Bremerton.

NATIONAL INDICATORS

Key Index Points Positive

The index of leading indicators, designed as the government's chief forecasting gauge, moved upward by 0.1 percent in November after falling 0.3 percent in October. The see-saw action in recent months has made a determination of trend difficult. But for the most part, the pattern substantiates the view that the economy,

while slowing, has not reached the point of recession. The rule of thumb is that three consecutive months of decline in the index presages a recession six months out; in fact, the index has risen in two of the past three months. Among the components pushing the index up in November were a decrease in claims for unemployment, growth in the money supply, and increases in factory orders for consumer goods, increases in new orders for plant and equipment, and higher manufacturers' backlog.

Consumers Back To The Bar

Meanwhile, consumer spending rose sharply in November for the first time in three months. Spending lagged in both September and October, but early holiday sales and special auto promotions lifted sales by 0.7 percent in November to \$3.64 trillion. At the same time, personal income grew at a healthy 0.8 percent annual clip, matching the October pace, to \$4.54 trillion. Even discounting insurance payments and other special factors associated with Hurricane Hugo and the California earthquake, the increase over the month was significant. The American consumer appears to be well and alive.

Less Take From Prices

Consumer prices took less of a bite in November, advancing 0.4 percent as against 0.5 percent a month before. Rising food and housing costs accounted for better than half of November's uptick; services costs continued to be entrenched at a 0.6 percent rate of increase. Over the year, the Consumer Price Index for urban consumers was up 4.6 percent compared to 4.3 percent in November 1988.

Hail To Thee Capital Spending

Growth in capital spending is looked to undergird the economy again in 1990. According to the latest Commerce Department survey, U.S. business plans to boost spending for new plant and equipment by 6.4 percent over the year at a time when the economy is looked to be sluggish. The increase for 1989 was estimated at 10.3 percent. While somewhat slower than a year ago, the projection for 1990 comes atop two year's of booming capital investment outlays and will certainly help to keep the seven-year economic expansion alive. Economists generally had expected an end to the capital spending boom given the drop in industrial operating rates and slipping corporate profits.

CONSUMER PRICE INDEX

(All items, Urban Consumers, 1982-1984 = 100)

	INDEXES			% CHANGE FROM	
	Nov 89	Oct 89	Nov 88	Oct 89	Nov 88
U.S. AVG	125.9	125.6	120.3	0.2%	4.7%
SEATTLE†	Jan-Jun 1989	Jan-Jun 1988		Jan-Jun 1988	
	116.7	111.9		4.3%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands)

Industry	Nov 1989 (Prel)	Oct 1989 (Rev)	Nov 1988 (Rev)	Oct 1988 (Rev)	Numeric Change	
					Oct 1989 to Nov 1989	Nov 1988 to Nov 1989
TOTAL NONAG. WAGE AND SALARY	2091.1	2087.3	1986.2	1984.6	3.8	104.9
MANUFACTURING	365.9	367.7	347.7	347.1	-1.8	18.2
Durable Goods	263.2	262.6	248.2	245.8	-0.6	15.0
Lumber & Wood Products	42.1	42.6	41.9	42.3	-0.5	0.2
Furniture & Fixtures	4.3	4.4	4.3	4.3	-0.1	0.0
Stone, Clay & Glass	7.6	7.5	7.6	7.7	0.1	0.0
Primary Metals	13.1	13.1	13.3	13.2	0.0	-0.2
Aluminum	8.8	8.8	9.0	9.0	0.0	-0.2
Fabricated Metals	11.5	11.7	11.2	11.4	-0.2	0.3
Machinery	34.2	34.1	32.5	31.8 ³	0.1	1.7
Machinery (Exc. Elec.)	19.6	19.5	18.6	18.6	0.1	1.0
Electrical Equip	14.6	14.6	13.9	13.2 ³	0.0	0.7
Transportation Equip	132.5	131.4	120.1	118.0	1.1	12.4
Aerospace	116.5 ⁴	116.0 ⁴	105.1	102.9	0.5	11.4
Other Transp. Equip	16.0	15.4	15.0	15.1	0.6	1.0
Instruments & Related	11.8	11.8	11.6	11.6	0.0	0.2
Misc. Manufacturing	6.1	6.0	5.7	5.5	0.1	0.4
Nondurable Goods	102.7	105.1	99.5	101.3	-2.4	3.2
Food & Kindred Products	36.1	38.5	34.6	36.5	-2.4	1.5
Canned & Preserved Foods	14.5	16.9	13.6	15.4	-2.4	0.9
Apparel & Allied Products	6.4	6.4	6.3	6.2	0.0	0.1
Paper & Allied Products	17.2	17.2	16.9	17.0	0.0	0.3
Printing & Publishing	22.4	22.4	21.9	21.8	0.0	0.5
Chemicals & Allied Products	10.4	10.4	10.1	10.1	0.0	0.3
Other Nondurable Goods ²	10.2	10.2	9.7	9.7	0.0	0.5
MINING & QUARRYING	3.4	3.5	3.5	3.5	-0.1	-0.1
CONSTRUCTION	110.6	114.7	99.8	104.7	-4.1	10.8
TRANSP., COMM. & UTIL.	108.2	108.2	103.4	103.6	0.0	4.8
WHOLESALE & RETAIL TRADE	515.5	509.6	489.4	486.3	5.9	26.1
Wholesale Trade	123.1	123.8	118.3	119.3	-0.7	4.8
Retail Trade	392.4	385.8	371.1	367.0	6.6	21.3
FIN. INS. & REAL ESTATE	116.1	115.9	111.1	110.8	0.2	5.0
SERVICES	481.3	480.5	453.1	453.5	0.8	28.2
Health Services	140.7	140.0	135.1	134.7	0.7	5.6
GOVERNMENT	390.1	387.2	378.2	375.1	2.9	11.9
Federal	73.6	73.5	71.4	71.7	0.1	2.2
State & Local	316.5	313.7	306.8	303.4	2.8	9.7
Education	171.1	166.3	166.9	162.6	4.8	4.2
WORKERS IN LABOR-						
MANAGEMENT DISPUTES	0.0	0.0	0.0	0.5	0.0	-0.5

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

³Workers excluded because of involvement in labor-management disputes.

⁴Labor dispute in aerospace affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period which included the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 1/3/90
Benchmark: 1988

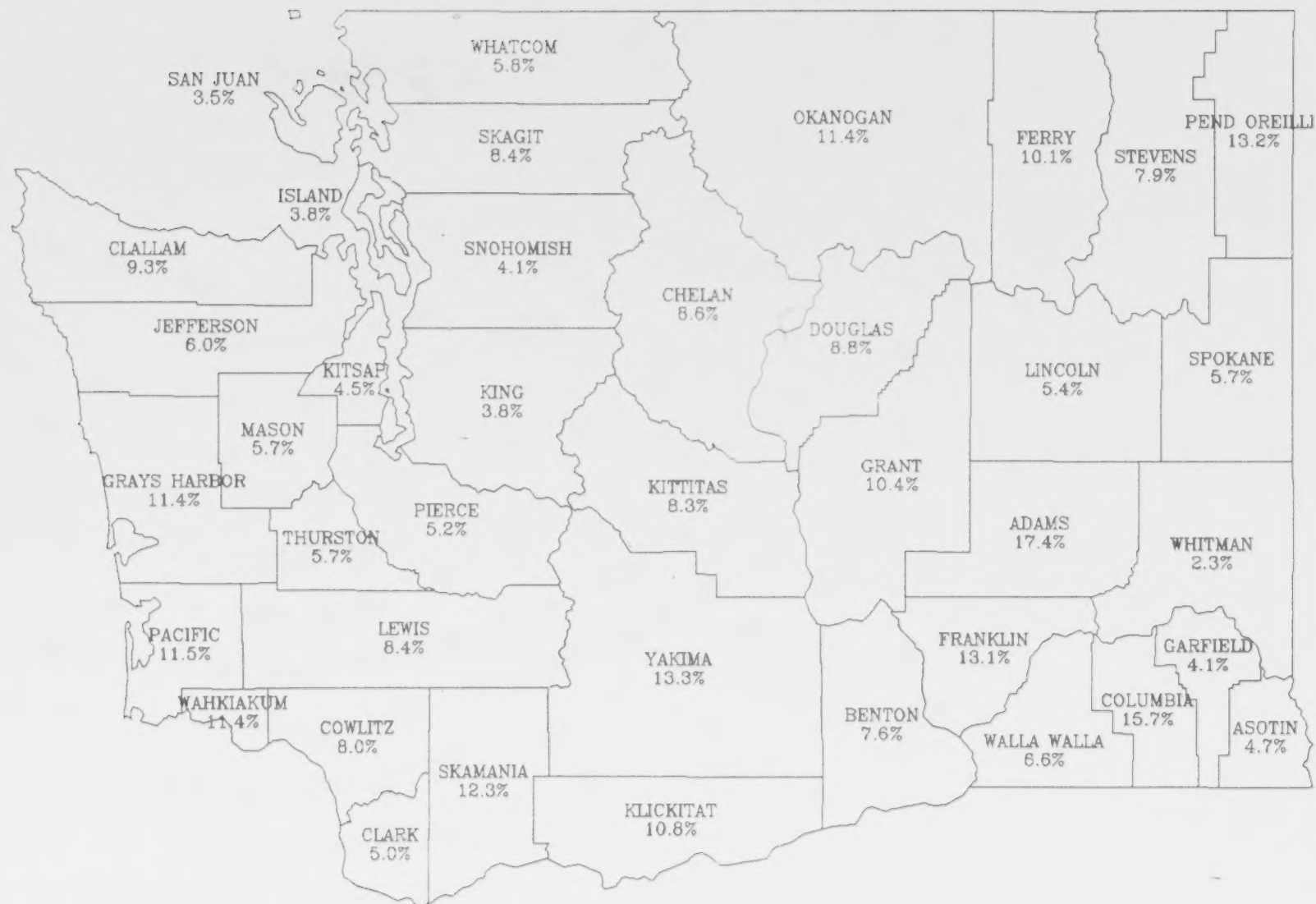
(Not Seasonally Adjusted)

	November 1989 Preliminary†				October 1989 Revised†				November 1988 Revised†			
	Labor Force	Employ- ment	Unem- ployment	Unemp. Rate	Labor Force	Employ- ment	Unem- ployment	Unemp. Rate	Labor Force	Employ- ment	Unem- ployment	Unemp. Rate
Washington State Total	2,399,900	2,267,300	132,600	5.5	2,416,000	2,290,000	126,000	5.2	2,311,600	2,184,200	127,400	5.5
Bellingham MSA	59,900	56,400	3,500	5.8	60,600	57,000	3,600	5.9	59,100	55,500	3,600	6.1
Bremerton MSA	77,200	73,700	3,500	4.5	77,000	73,300	3,700	4.8	76,100	72,600	3,500	4.6
Olympia MSA	78,800	74,300	4,500	5.7	77,700	73,400	4,300	5.5	75,800	71,400	4,400	5.8
Seattle PMSA	1,099,000	1,056,400	42,600	3.9	1,092,300	1,047,300	45,000	4.1	1,044,700	1,000,100	44,600	4.3
King County‡	869,500	836,400	33,100	3.8	864,300	829,200	35,100	4.1	826,400	791,900	34,500	4.2
Snohomish County‡	229,400	219,900	9,500	4.1	227,900	218,000	9,900	4.3	218,400	208,200	10,200	4.7
Spokane MSA	169,100	159,500	9,600	5.7	169,700	160,100	9,600	5.7	168,000	158,900	9,100	5.4
Tacoma PMSA	255,700	242,400	13,300	5.2	252,800	238,900	13,900	5.5	246,000	232,300	13,700	5.6
Tri-Cities MSA	67,000	61,000	6,000	9.0	68,500	63,600	4,900	7.2	64,700	59,200	5,500	8.5
Benton County‡	51,000	47,100	3,900	7.6	52,900	49,100	3,800	7.2	49,400	45,700	3,700	7.5
Franklin County‡	16,000	13,900	2,100	13.1	15,700	14,500	1,200	7.6	15,300	13,500	1,800	11.8
Vancouver PMSA	118,700	112,800	5,900	5.0	119,200	113,500	5,700	4.8	115,000	109,100	5,900	5.1
Yakima MSA	92,300	80,000	12,300	13.3	101,400	92,600	8,800	8.7	89,600	80,100	9,500	10.6
Adams	6,390	5,280	1,110	17.4	6,940	6,500	440	6.3	6,030	5,370	660	10.9
Asotin	9,580	9,130	450	4.7	9,600	9,230	370	3.9	9,330	8,910	420	4.5
Clallam	22,660	20,550	2,110	9.3	22,390	20,710	1,680	7.5	22,630	20,970	1,660	7.3
Columbia	1,530	1,290	240	15.7	1,450	1,270	180	12.4	1,500	1,270	230	15.3
Cowlitz	35,270	32,440	2,830	8.0	35,570	32,790	2,780	7.8	35,400	32,930	2,470	7.0
Ferry	2,970	2,670	300	10.1	2,990	2,710	280	9.4	2,810	2,500	310	11.0
Garfield	980	940	40	4.1	1,000	970	30	3.0	1,020	990	30	2.9
Grant	23,750	21,280	2,470	10.4	25,890	23,930	1,960	7.6	22,770	20,600	2,170	9.5
Grays Harbor	25,770	22,820	2,950	11.4	25,510	23,030	2,480	9.7	24,370	22,210	2,160	8.9
Island	20,260	19,480	780	3.8	20,570	19,570	1,000	4.9	19,210	18,370	840	4.4
Jefferson	8,450	7,940	510	6.0	8,460	7,990	470	5.6	8,330	7,880	450	5.4
Kittitas	11,780	10,800	980	8.3	11,870	11,070	800	6.7	11,420	10,580	840	7.4
Klickitat	7,510	6,700	810	10.8	7,850	7,200	650	8.3	7,210	6,530	680	9.4
Lewis	24,970	22,870	2,100	8.4	24,830	23,030	1,800	7.2	24,600	22,680	1,920	7.8
Lincoln	3,910	3,700	210	5.4	4,010	3,860	150	3.7	4,260	4,050	210	4.9
Mason	15,400	14,520	880	5.7	15,460	14,540	920	6.0	13,660	12,870	790	5.8
Okanogan	15,200	13,460	1,740	11.4	19,380	18,020	1,360	7.0	15,200	13,580	1,620	10.7
Pacific	7,510	6,650	860	11.5	7,160	6,500	660	9.2	7,340	6,670	670	9.1
Pend Oreille	3,570	3,100	470	13.2	3,330	2,920	410	12.3	3,370	3,030	340	10.1
San Juan	4,800	4,630	170	3.5	5,100	4,910	190	3.7	4,910	4,670	240	4.9
Skagit	32,720	29,960	2,760	8.4	33,840	31,350	2,490	7.4	31,470	29,000	2,470	7.8
Skamania	2,430	2,130	300	12.3	2,400	2,140	260	10.8	2,190	1,880	310	14.2
Stevens	11,910	10,970	940	7.9	12,060	11,190	870	7.2	11,530	10,680	850	7.4
Wahkiakum	1,230	1,090	140	11.4	1,200	1,120	80	6.7	1,140	1,060	80	7.0
Walla Walla	23,360	21,820	1,540	6.6	23,570	22,380	1,190	5.0	23,020	21,550	1,470	6.4
Wenatchee Labor Area	38,360	35,040	3,320	8.7	44,480	41,680	2,800	6.3	38,710	35,760	2,950	7.6
Chelan County‡	25,660	23,460	2,200	8.6	29,870	27,910	1,960	6.6	25,960	23,950	2,010	7.7
Douglas County‡	12,700	11,580	1,120	8.8	14,610	13,770	840	5.7	12,760	11,820	940	7.4
Whitman	19,970	19,510	460	2.3	20,030	19,770	260	1.3	19,040	18,350	690	3.6

†Official U.S. Department of Labor, Bureau of Labor Statistics data.

‡Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.



November Statewide Unemployment Rate = 5.5%

**Estimated Average Hours and Earnings of Production Workers in Manufacturing and of
Nonsupervisory Workers in Nonmanufacturing Activities, State of Washington**

	Prelim Nov Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Nov 89	Oct 89	Nov 88	Nov 89	Oct 89	Nov 88	Nov 89	Oct 89	Nov 88
TOTAL MANUFACTURING INDUSTRIES¹	218,054	\$375.46	\$404.59	\$498.56	31.9	34.2	41.0	\$11.77	\$11.83	\$12.16
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	35,019	\$445.96	\$465.53	\$417.73	39.5	40.8	38.5	\$11.29	\$11.41	\$10.85
Primary Metal Industries	10,046	\$583.63	\$562.28	\$539.25	43.2	42.5	42.9	\$13.51	\$13.23	\$12.57
Fabricated Metal Products	9,315	\$465.16	\$474.42	\$460.92	40.1	39.8	39.7	\$11.60	\$11.92	\$11.61
Machinery	22,412	\$391.64	\$397.94	\$383.11	39.4	39.4	40.8	\$9.94	\$10.10	\$9.39
Food and Kindred Products	26,961	\$357.49	\$371.87	\$329.96	37.2	39.9	36.5	\$9.61	\$9.32	\$9.04
Chemical and Allied Products	4,044	\$630.48	\$619.92	\$637.56	42.6	42.0	38.2	\$14.80	\$14.76	\$16.69
Transportation Equipment	62,482	\$200.68	\$270.47	\$664.89	14.5	17.9	45.2	\$13.84	\$15.11	\$14.71
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	81,499	\$599.65	\$612.15	\$584.10	35.8	37.1	36.1	\$16.75	\$16.50	\$16.18
Wholesale and Retail Trade	324,895	\$332.32	\$337.90	\$306.18	33.5	34.2	32.4	\$9.92	\$9.88	\$9.45
(Does not include eating and drinking establishments)										

¹Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

*Washington*

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

January 1990

Highlights

Puff . . . Whoa! Let Me Catch My Breath!

The close of 1989 was as much a surprise as the year itself. In eight of the last ten years, the jobless rate rose between November and December. So, what should happen in December of 1989? . . . no change in the unemployment indicator. Not so surprising was the fact that the 5.7 percent jobless rate was marginally above the level recorded in December of 1988. After all, 1989 saw spotted owls nesting in old-growth timber, the fear of ALAR coursing through red delicious apples, nurses, retail clerks, and machinists on the picket lines . . . it is really a testament to the strength of the Washington economy that the rate was not higher.

Not unlike predicting rain, the over-the-year increase in joblessness could portend the long-awaited slowdown. But, is it steady precipitation or is it just drizzle? Is the economy building a second wind, or has it shifted to a lower plateau? Is it a soft landing, a touch-and-go, or a

late arrival with lighter fuel tanks and exhausted, cranky passengers? The coming months should give us a much clearer picture.

**Resident Civilian Labor Force
Employment and Unemployment in Washington State**

	Dec 1989 (Prelim.)	Nov 1989 (Revised)	Dec 1988
Resident Civilian Labor Force	2,446,300	2,402,300	2,314,900
Employment	2,306,900	2,266,300	2,188,400
Unemployment	139,400	136,000	126,500
Unemployment Rate	5.7	5.7	5.5
National Unemployment Rate	5.1	5.2	5.0

**LABOR FORCE AND
EMPLOYMENT**

Winter Blahs???

The November-December period normally is the beginning of the winter-time doldrums for the Washington labor markets. Joblessness normally starts its year-end upswing, not to come back down until the March or April thaw. Other than the typical holiday-induced over-consumption, it is rare that there is enough underlying momentum to carry the economy into December.

Not Here!

But such was the case in 1989. Other than a short cold-snap in November, there was little in the way of adverse weather conditions to moderate out-door activities. In addition, the holiday season usually sees an influx of more part-time or temporary workers into the work force. As a result, the employment situation remained relatively strong.

The national unemployment rate, when seasonally adjusted, remained at 5.3 percent in December. But when not seasonally adjusted, as are Washington's figures, it fell one-tenth of a point to 5.1 percent.

Divergence In Data

Though not readily noticeable on a short-term basis, there has been an unusual divergence in the movement of the two major economic series — the Resident Civilian Labor Force household data, and the Non-agricultural Wage and Salary Employment establishment data. In the long term, this divergence is visible at both the state and national level.

These two series will always be different because of what they measure and how they make these measurements. The Resident Labor Force series is based on a survey of households, and counts the total labor force, employment, and unemployment by place of residence. The Wage and Salary Employment series is based on a survey of business establishments and counts employment, hours worked, and average hourly earnings by place of work.

The Resident Labor Force figures count everyone, sixteen years old and over, who is either working or looking for work.

The Wage and Salary Employment figures count all wage and salary jobs at nonagricultural businesses.

The wage and salary figures should be smaller than total resident employment because they do not count agricultural workers, proprietors, self-employed, members of the armed forces and private household employees.

But even counting all these workers, there will still be a difference because of residency adjustment and multiple jobholders.

Residency adjustment will account for those who live in one labor market area and work in another. Someone who lived in Seattle and worked in Tacoma would be counted in the Tacoma Wage and Salary employment series and in the Seattle Resident Employment series.

Moonlighting Muddies Measurements

Multiple jobholders are more of a concern because they can muddy the analysis of job growth. A worker holding two jobs is counted twice in the Wage and Salary Employment figures, and once in the Resident Employment figures, and that is the way it should be. But if the incidence of multiple jobholding were to take a sudden

jump, then the employment figures from both series would appear to be sending mixed signals. Wage and Salary jobs would grow at a level much faster than resident employment. Such has been the case recently at the national level.

Between 1985 and 1989, the share of workers holding more than one job has jumped from 5.4 percent to 6.2 percent of all resident workers. What this means is that almost 1.5 million jobs created nationwide since 1985 did not go to new workers but to existing workers.

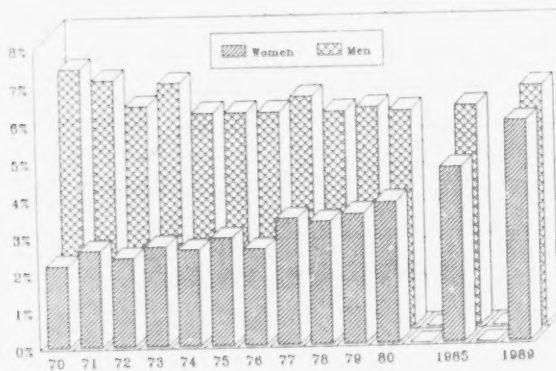
Women Holding More Jobs

While men have had the highest proportion of multiple jobholders, women have recorded the greatest increase over the past 20 years. In 1970 women represented only 15.7 percent of all multiple jobholders. In 1989, their ratio had increased to 43 percent.

Women's incidence of multiple jobholding far surpasses their increase in labor force participation. As a matter of fact, since 1985, of the 1.5 million new multiple jobholders, 61.3 percent were women.

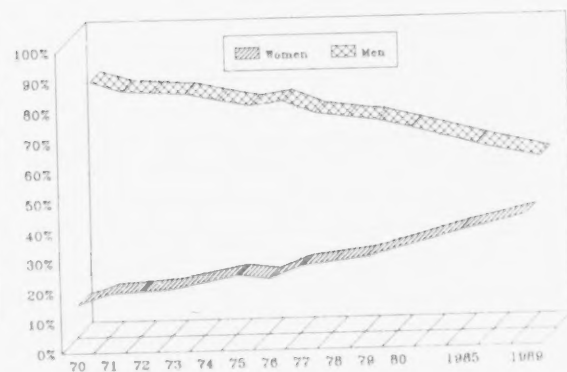
More information on multiple jobholders is available from the U.S. Department of Labor at (202) 523-1913.

U.S. Multiple Jobholding Rate of Men and Women



Source: US Department of Labor

Share of U.S. Multiple Jobholders by Sex



Source: US Department of Labor

INDUSTRY DEVELOPMENTS

Ups and Downs

Off-setting movements were the-name-of-the-game this last December, which is pretty typical. There were nearly as many upturns as downturns resulting in a positive gain of 1,200 nonfarm jobs. Though this seems meager compared to earlier months, it represented quite a strong gain for December. The year-over-year increase measured 5.3 percent or 108,400 workers — the largest spread for December since 1978.

Christmas as Usual

The largest November-December gain was in . . . you guessed it . . . retail trade. Despite all the pessimistic forecasts for holiday sales, retailers appeared to be taking no chances. The 6,300 increase in jobs was right in line with normal holiday season gains. It is anyone's guess as to whether stores were able to maintain sales volumes without discounting away their profit margins.

Retailers employed 5.4 percent more workers in December 1989 than in December 1988. This is just a notch above the nonfarm growth rate overall.

Health Sustains Growth

Services, particularly health and business services, has been the main competitor with trade in providing job growth. December was unusual in that health services provided all the job growth over the month. At a time when the words *slowdown* and *health services* are rarely apart, and at a time when business services has been growing at twice the nonfarm average, this deserves closer scrutiny.

Scant Skiing

One of the biggest concerns has come from recreational services, especially from ski areas. November did see some early snow-fall, but unseasonably warm best describes the month of December. Area operators say they normally expect 25 percent of their revenues to be in the till before Christmas. Save for Mount Baker, no Washington ski areas had enough snow to operate in December.

Government Slowdown

Government payrolls took their typical drop in December. Support personnel at schools, colleges and universities bore the brunt of the between-session slowdown (teachers are considered employed year-round). Other public employees not needed during the winter season are those tending parks and other public recreation areas.

Total government employment increased 3.4 percent over the year. Though this was much less than the 5.3 percent nonfarm average, it was in line with total population growth and the demand for educational services.

Fair Weather = Employment Highs



For every action, there is an equal and opposite reaction. Isaac Newton was not contemplating economics but rather physics when this law was founded. But in some instances it is applicable to labor market dynamics. Though the weather was lousy for ski areas, it was so moderate as to allow other outdoor activities to continue at levels atypical for this time of year. Construction payrolls were still at record levels in December.

There has not been a December in memory when construction employment did not fall, and this December was no exception. But this December was a record, even higher than December 1979 (during the zenith of WPPSS activity). Construction payrolls were 12.5 percent above the December 1988 level.

Speaking of outdoor activities, lumber and wood products employment was still rather vibrant for a December. Though employment fell 100 jobs, no December turndown has ever been so modest. Mild weather and relatively low mortgage interest rates (just under 10 percent) kept this sector moving during a traditionally slow period.

Aerospace Shifts Gears

Perhaps the ultimate indicator of employment growth is the aerospace industry. Over the past several years, monthly gains have averaged 1,000 new workers. But, December payrolls rose only by 100. On top of that, lay-

offs from The Boeing Everett 747 facility were announced.

The question on everyone's mind . . . Is this the end of the aerospace boom? Probably. But it should not portend the end of economic expansion in Washington, just slow it down. After all, how long could Boeing continue to add workers? Also, this lay-off is not related to a slow-down in production, but rather an increase in worker productivity. In addition, workers are required to receive 60 days notice; no doubt part of that time will be spent lining up other work. And finally, local employers who have had to compete with Boeing for skilled workers have had little success. As a result, there should be a large pool of employers ready and willing to hire experienced workers.

Moving on to the nondurable side of manufacturing, Food and kindred products employment took a typical tumble. December is normally the period for putting a final wrap on the fall harvest. Even though payrolls dropped 2,600, December levels were 2,000 higher than December of 1988.

AREA TRENDS

The jobless rate remained at 5.7 percent between November and December and gained two tenths of a point over the year. Metropolitan areas came in at 5.1 percent, also unchanged from November. Regions dependent on logging and lumber reported a modest one tenth of a point increase to reach 9.3 percent, well above the 8.6 percent of December 1988. Eastern Washington, much more agriculturally focused, jumped from 8.7 percent to 9.1 percent. Western Washington, in the meantime, actually declined one tenth to reach 4.8 percent.

The employment situation varied widely among the myriad labor markets. Whitman County posted the lowest rate (as usual), coming in at 2.2 percent. In this past year Columbia County had the dubious distinction of overtaking Skamania to record the highest jobless rates; the December figure was 18.2 percent.

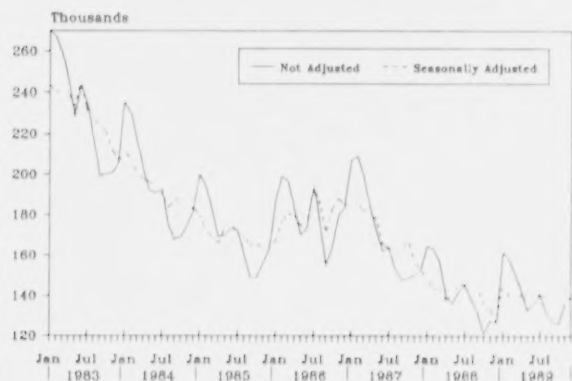
Small labor market areas tend to experience the widest swings in employment and unemployment. If an additional 50 workers lost their jobs in Seattle, it would hardly cause a blip in the unemployment rate. But if an additional 50 workers lose their jobs in Garfield County, as happened in December, the unemployment rate can more than double.

State Total Resident Employment
Jan 1983-Dec 1989



SOURCE: Employment Security Department

State Total Resident Unemployment
Jan 1983-Dec 1989



SOURCE: Employment Security Department

INDUSTRY NOTES

Military Maneuvers

The so-called Peace Dividend will have an impact on Washington state. Already, cuts have been slated for a number of military installations. The latest has been the announced deactivation of the 25th Air Division Headquarters at McChord Air Force Base. This unit managed all air-defense units in the western United States.

Though this closure only represents 20 military and 9 civilian jobs, it is the second deactivation of a military unit in the Tacoma area in the past year. The 318th Fighter Interceptor Squadron out of McChord (564 jobs) was also deactivated late last year. Aircraft (F-15 Eagle interceptors) were transferred to the Oregon Air National Guard. The Air Force plan is to shift more air-defense responsibilities to the Air National Guard.

Housing is Hot

In-migration caused a big jump in demand for homes in 1989. So much so that the Seattle-Tacoma area lead the nation in home price increases. The National Association of Realtors reported that the median price of homes sold in Seattle was \$115,100 as of the fourth quarter of 1989. That is a 25.2 percent gain over the fourth quarter of 1988 — the largest percent gain of the 83 U.S. housing markets in the survey.

The Seattle-Tacoma area is still not near as expensive as other coastal housing markets. Honolulu was the most expensive with the median home price being \$280,900. Other high priced markets on the west coast were San Francisco (\$260,600), Orange County (\$247,900) and Los Angeles (\$217,000). The highest priced region on the east coast was Boston with a median price of \$183,600.

The Midwest had the lowest housing prices. In Peoria, Illinois, the median price was just \$47,200.

Spokane home prices, at \$53,900, were less than half of the Seattle-Tacoma average.

Demand for housing also extends to apartments, particularly to sales of apartments. According to Cain & Scott Inc., close to \$500 million in apartment sales took place in 1989. The hot local housing market, low vacancy rates, and declining returns in other markets makes the Seattle-Everett-Tacoma region ripe for investment.

Average rents increased 8.4 percent to \$429 a month in 1989. The vacancy rate fell to 3.8 percent, indicative of the strong demand. As a result, it is estimated that 20,000 new apartment units will be built in King, Snohomish and Pierce counties in 1990.

Heavy Traffic

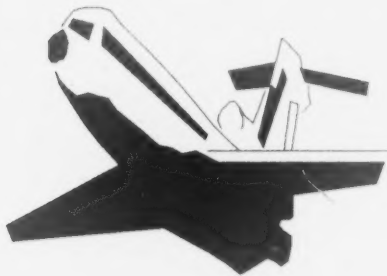


The Port of Tacoma had a record year in 1989. More than 17.1 million short tons of cargo passed through the port, valued at an estimated \$25 billion. This represented an increase over 1988 of 12 percent. The number of containers handled by the port rose 18 percent to 924,974 placing the port at 6th in the nation and 20th in the world.

Commodities in which exports increased markedly were:

- ⇒ Forest Products, up 27 percent (although actual log exports fell 2 percent).
- ⇒ Frozen fish, up 81 percent.
- ⇒ Vegetable products, up more than 50 percent.
- ⇒ Heavy equipment, up 600 percent.
- ⇒ Industrial machinery, up 100 percent.
- ⇒ Chemicals, up 52 percent.

Boeing Plans 777



Boeing has announced a go-ahead with plans for a new generation 777 aircraft. Many airlines, including United, Japan Air Lines, and British Airways, have voiced interest in the airliner. However, until Boeing receives some firm orders they will not officially launch the plane.

The 777 airliner is to compete directly with the Airbus 330, and fill the size slot between the 767 and 747. The plane would have two aisles (two seats wider than the 767), with seating for 350 in two classes. It would have an initial range of 4,200 nautical miles with a 5,500 mile intercontinental version available later. Price is expected to be just under \$100 million.

NATIONAL INDICATORS

Slow Growth

Gross National Product (GNP) was sluggish in the fourth quarter of 1989. Latest figures from the U.S. Department of Commerce reported that growth was a meager 0.5 percent. The economy had grown at a 3.0 percent annual rate in the third quarter and 2.9 percent for all of 1989, down from the exemplary 4.4 percent growth in 1988.

But Still Some Life

Such a slow rate of growth brought forth the doom-and-gloomers claiming that the recession is nigh. A more moderate interpretation points out severe weather throughout most of the nation (particularly Hurricane Hugo), the San Francisco earthquake, and even the Boeing strike put temporary dampers on production.

Another Department of Commerce report gives credence to the moderate view of the fourth quarter GNP figures. The Index of Leading Economic Indicators rose 0.8 percent in December. Many of the index components were positive: stock prices, unfilled factory orders, new orders for capital equipment, money supply and building permits.

Federal Reserve figures on industrial production and factory operating rate also rose in December. Industrial production was up 0.4 percent. However, most of the gains can be tied to increased utility output because of the cold weather and resumption of aircraft production following the Boeing strike. The operating rate for nations factories, mines and utilities rose to 83.3 percent of capacity, up two-tenths of a percent from November.

The Consumer Price Index rose 0.4 percent in December, pushing the inflation rate to 4.6 percent for all of 1989. Household fuel prices jumped 3.5 percent for the year while energy prices overall grew 5.1 percent. Food prices were up 5.6 percent in 1989 — the highest in nine years. Increasing medical costs made all other sectors pale in comparison, posting an annual gain of 8.5 percent.

At the wholesale level, the Producer Price Index rose 0.7 percent for December and 4.8 percent for the year. This index has been trending upwards since 1987 when wholesale prices rose only 2.2 percent. Much of the blame can be tied to rising energy prices. For the year, fuel oil climbed 33.9 percent, the largest jump since 1979.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

U.S. Avg	Indexes			% Change From	
	Dec 89	Nov 89	Dec 88	Nov 89	Dec 88
	126.1	125.9	120.5	0.2%	4.6%
Seattle†	Jan-Jun 1989	Jan-Jun 1988		Jan-Jun 1988	
	116.7	111.9		4.3%	

† The index for Seattle reflects prices in King, Pierce and Snohomish Counties.

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics.

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	Dec 1989 (Prel)	Nov 1989 (Rev)	Dec 1988 (Rev)	Nov 1988 (Rev)	Numeric Change	
					Nov 1989 to Dec 1989	Dec 1988 to Dec 1989
TOTAL NONAG. WAGE AND SALARY . . .	2,089.9	2,088.7	1,984.5	1,986.2	1.2	105.4
MANUFACTURING	363.0	365.6	345.6	347.7	-2.6	17.4
Durable Goods	262.7	263.0	249.1	248.2	-0.3	13.6
Lumber & Wood Products	42.0	42.1	41.2	41.9	-0.1	0.8
Furniture & Fixtures	4.3	4.3	4.3	4.3	0.0	0.0
Stone, Clay & Glass	7.5	7.6	7.4	7.6	-0.1	0.1
Primary Metals	12.7	12.9	13.4	13.3	-0.2	-0.7
Aluminum	8.6	8.7	9.1	9.0	-0.1	-0.5
Fabricated Metals	11.3	11.5	11.0	11.2	-0.2	0.3
Machinery	34.4	34.2	32.8	32.5	0.2	1.6
Machinery (Except Electric)	19.7	19.6	18.8	18.6	0.1	0.9
Electrical Equipment	14.7	14.6	14.0	13.9	0.1	0.7
Transportation Equipment	132.5	132.5	121.5	120.1	0.0	11.0
Aerospace	116.6	116.5	106.1	105.1	0.1	10.5
Other Transportation Equipment	15.9	16.0	15.4	15.0	-0.1	0.5
Instruments & Related	11.8	11.8	11.7	11.6	0.0	0.1
Miscellaneous Manufacturing	6.2	6.1	5.8	5.7	0.1	0.4
Nondurable Goods	100.3	102.6	96.5	99.5	-2.3	3.8
Food & Kindred Products	33.4	36.0	31.4	34.6	-2.6	2.0
Canned & Preserved Food	11.7	14.5	10.4	13.6	-2.8	1.3
Apparel & Allied Products	6.3	6.4	6.3	6.3	-0.1	0.0
Paper & Allied Products	17.6	17.2	17.1	16.9	0.4	0.5
Printing & Publishing	22.4	22.4	21.9	21.9	0.0	0.5
Chemicals & Allied Products	10.5	10.4	10.1	10.1	0.1	0.4
Other Nondurable Goods ²	10.1	10.2	9.7	9.7	-0.1	0.4
MINING & QUARRYING	3.4	3.4	3.4	3.5	0.0	0.0
CONSTRUCTION	108.7	110.7	96.6	99.8	-2.0	12.1
TRANSP., COMM. & UTIL	107.6	108.3	102.9	103.4	-0.7	4.7
WHOLESALE & RETAIL TRADE	520.6	514.5	495.5	489.4	6.1	25.1
Wholesale Trade	122.9	123.1	118.1	118.3	-0.2	4.8
Retail Trade	397.7	391.4	377.4	371.1	6.3	20.3
FINANCE, INS., & REAL ESTATE	117.1	116.1	111.7	111.1	1.0	5.4
SERVICES	482.0	480.2	454.0	453.1	1.8	28.0
Health Services	142.2	140.4	136.0	135.1	1.8	6.2
GOVERNMENT	387.5	389.9	374.8	378.2	-2.4	12.7
Federal	73.2	73.4	71.5	71.4	-0.2	1.7
State & Local	314.3	316.5	303.3	306.8	-2.2	11.0
Education	169.7	171.0	164.5	166.9	-1.3	5.2
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Includes textile mill products, rubber and miscellaneous plastic products, petroleum refining and related products, and leather products.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 1/24/90
Benchmark: 1988

(Not Seasonally Adjusted)

	December 1989 Preliminary†				November 1989 Revised†				December 1988 Revised†			
	Labor Force	Employ- ment	Unem- ployment	Unemp. Rate	Labor Force	Employ- ment	Unem- ployment	Unemp. Rate	Labor Force	Employ- ment	Unem- ployment	Unemp. Rate
Washington State Total . . .	2,446,300	2,306,900	139,400	5.7	2,402,300	2,266,300	136,000	5.7	2,314,900	2,188,400	126,500	5.5
Bellingham MSA	61,800	58,000	3,800	6.1	60,700	57,100	3,600	5.9	58,400	54,600	3,800	6.5
Bremerton MSA	78,700	75,300	3,400	4.3	77,600	74,000	3,600	4.6	75,900	72,600	3,300	4.3
Olympia MSA	82,400	78,000	4,400	5.3	79,300	74,600	4,700	5.9	76,200	72,000	4,200	5.5
Seattle PMSA	1,121,200	1,076,800	44,400	4.0	1,096,300	1,052,800	43,500	4.0	1,053,700	1,012,000	41,700	4.0
King County‡	886,700	852,600	34,100	3.8	867,400	833,600	33,800	3.9	833,000	801,300	31,700	3.8
Snohomish County‡	234,600	224,200	10,400	4.4	228,900	219,200	9,700	4.2	220,800	210,700	10,100	4.6
Spokane MSA	172,800	162,100	10,700	6.2	169,000	159,100	9,900	5.9	168,400	159,200	9,200	5.5
Tacoma PMSA	256,500	243,700	12,800	5.0	256,500	243,000	13,500	5.3	245,600	232,700	12,900	5.3
Tri-Cities MSA	68,400	62,000	6,400	9.4	67,000	60,800	6,200	9.3	64,000	58,300	5,700	8.9
Benton County‡	52,100	47,900	4,200	8.1	50,900	46,900	4,000	7.9	48,900	45,100	3,800	7.8
Franklin County‡	16,300	14,100	2,200	13.5	15,900	13,800	2,100	13.2	15,200	13,300	1,900	12.5
Vancouver PMSA	122,000	115,600	6,400	5.2	119,700	113,500	6,200	5.2	114,500	108,500	6,000	5.2
Yakima MSA	94,100	80,900	13,200	14.0	92,100	79,500	12,600	13.7	87,900	77,700	10,200	11.6
Adams	6,070	5,210	860	14.2	6,140	5,270	870	14.2	5,790	4,920	870	15.0
Asotin	9,730	9,290	440	4.5	9,520	9,090	430	4.5	9,280	8,870	410	4.4
Clallam	22,930	20,970	1,960	8.5	22,890	20,750	2,140	9.3	22,620	20,760	1,860	8.2
Columbia	1,540	1,260	280	18.2	1,510	1,260	250	16.6	1,590	1,340	250	15.7
Cowlitz	36,620	33,830	2,790	7.6	35,570	32,650	2,920	8.2	35,440	33,000	2,440	6.9
Ferry	3,160	2,830	330	10.4	3,040	2,720	320	10.5	2,700	2,440	260	9.6
Garfield	1,040	950	90	8.7	970	930	40	4.1	1,020	980	40	3.9
Grant	23,400	20,520	2,880	12.3	24,110	21,330	2,780	11.5	22,220	19,880	2,340	10.5
Grays Harbor	26,300	23,310	2,990	11.4	25,790	22,800	2,990	11.6	24,870	22,340	2,530	10.2
Island	20,680	19,770	910	4.4	20,280	19,410	870	4.3	19,310	18,520	790	4.1
Jefferson	8,650	8,090	560	6.5	8,590	8,050	540	6.3	8,170	7,710	460	5.6
Kittitas	11,550	10,400	1,150	10.0	11,820	10,830	990	8.4	11,090	10,130	960	8.7
Klickitat	7,540	6,490	1,050	13.9	7,650	6,810	840	11.0	6,910	6,110	800	11.6
Lewis	25,780	23,570	2,210	8.6	24,990	22,830	2,160	8.6	24,840	22,740	2,100	8.5
Lincoln	3,990	3,780	210	5.3	3,960	3,730	230	5.8	4,170	3,970	200	4.8
Mason	16,130	15,060	1,070	6.6	15,620	14,680	940	6.0	13,630	12,780	850	6.2
Okanogan	14,900	12,890	2,010	13.5	15,130	13,350	1,780	11.8	14,720	12,900	1,820	12.4
Pacific	7,520	6,770	750	10.0	7,600	6,690	910	12.0	7,160	6,510	650	9.1
Pend Oreille	3,390	2,860	530	15.6	3,410	2,920	490	14.4	3,340	2,980	360	10.8
San Juan	4,870	4,650	220	4.5	4,910	4,720	190	3.9	4,660	4,430	230	4.9
Skagit	33,770	30,900	2,870	8.5	33,750	30,900	2,850	8.4	31,040	28,470	2,570	8.3
Skamania	2,480	2,060	420	16.9	2,450	2,120	330	13.5	2,140	1,780	360	16.8
Stevens	11,970	10,890	1,080	9.0	11,780	10,830	950	8.1	11,650	10,710	940	8.1
Wahkiakum	1,220	1,100	120	9.8	1,250	1,100	150	12.0	1,120	1,040	80	7.1
Walla Walla	23,820	22,000	1,820	7.6	23,310	21,740	1,570	6.7	23,000	21,250	1,750	7.6
Wenatchee Labor Area	39,630	35,850	3,780	9.5	38,390	34,960	3,430	8.9	39,230	36,100	3,130	8.0
Chelan County‡	26,430	24,010	2,420	9.2	25,710	23,410	2,300	8.9	26,370	24,170	2,200	8.3
Douglas County‡	13,200	11,840	1,360	10.3	12,680	11,550	1,130	8.9	12,860	11,930	930	7.2
Whitman	19,690	19,260	430	2.2	19,760	19,290	470	2.4	18,580	18,050	530	2.9

†Official U.S. Department of Labor, Bureau of Labor Statistics data.

‡Estimates are determined by using the Population/Claims Share disaggregation methodology.

Note: Detail may not add due to rounding.



DECEMBER STATEWIDE UNEMPLOYMENT RATE = 5.7%

**Estimated Average Hours and Earnings of Production Workers in Manufacturing and of
Nonsupervisory Workers in Nonmanufacturing Activities, State of Washington**

	Prelim Dec 89 Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Dec 89	Nov 89	Dec 88	Dec 89	Nov 89	Dec 88	Dec 89	Nov 89	Dec 88
TOTAL MANUFACTURING INDUSTRIES¹	214,674	\$504.46	\$384.78	\$512.12	40.1	33.0	41.4	\$12.58	\$11.66	\$12.37
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,832	\$438.06	\$433.78	\$444.38	39.5	38.8	39.5	\$11.09	\$11.18	\$11.25
Primary Metal Industries	9,899	\$584.27	\$584.27	\$546.05	43.7	43.7	43.2	\$13.37	\$13.37	\$12.64
Fabricated Metal Products	9,080	\$487.08	\$465.60	\$468.99	39.6	40.0	40.5	\$12.30	\$11.64	\$11.58
Machinery	22,268	\$410.44	\$392.03	\$378.82	40.2	39.4	40.3	\$10.21	\$9.95	\$9.40
Food and Kindred Products	24,164	\$364.53	\$357.27	\$353.79	36.2	37.1	36.7	\$10.07	\$9.63	\$9.64
Chemical and Allied Products	4,071	\$643.87	\$630.48	\$684.54	43.3	42.6	39.5	\$14.87	\$14.80	\$17.33
Transportation Equipment	62,644	\$625.80	\$239.94	\$655.09	42.0	18.4	44.9	\$14.90	\$13.04	\$14.59
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	79,313	\$644.03	\$601.33	\$592.59	37.4	35.9	36.4	\$17.22	\$16.75	\$16.28
Wholesale and Retail Trade	330,869	\$337.96	\$327.68	\$309.59	34.0	33.2	32.9	\$9.94	\$9.87	\$9.41

(Does not include eating and drinking establishments)

¹Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 458-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

February 1990

Highlights

January Weather Heats Up The Economy

Less than normal seasonal retrenchment took place in January owing to exceptionally mild weather conditions. The month proved much wetter than usual but higher than average temperatures allowed many outdoor activities to proceed. Rather than a 50,000 decline which characterized the month over the past couple years, Washington's nonfarm employment dropped by a lesser 34,500 between December and January this year. Construction, services, and logging in particular stood out. More than likely, February will mark return to a more normal seasonal pattern. But in the interim, the combination of atypical weather atop continued strong economic growth ushered the state into the new year with the biggest 12-month employment increase for the month on record.

Unemployment was similarly affected. Washington's jobless rate inched up fractionally by three-tenths of a percentage point in January from 6.1 percent to 6.4 percent of the workforce. Normal trend would have dictated an upward spike on the order of a full percentage point. The winter months typically mark the highs for the year in terms of overall joblessness as weather holds back activity among some of the state's largest industrial sectors. The January rate stood significantly below the year-earlier figure of 7.0 percent but higher than the national average for the month at 5.9 percent.

**Resident Civilian Labor Force
Employment and Unemployment in Washington State**

	Jan 1990 <i>Preliminary</i>	Dec 1989 <i>Revised</i>	Jan 1989
Resident Civilian Labor Force	2,491,800	2,516,100	2,369,100
Employment	2,331,400	2,363,600	2,203,800
Unemployment	160,400	152,500	165,300
Unemployment Rate	6.4%	6.1%	7.0%
National Unemployment Rate	5.9%	5.1%	6.0%

Data in this table are not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics

LABOR FORCE AND EMPLOYMENT

Total employment and nonfarm wage and salary employment moved in tandem in January. The 32,200 drop in total employment virtually mirrored the corresponding decline in nonagricultural payrolls. Moreover the 127,600 year-to-year expansion logically encompassed the 117,800 increase in nonfarm employment plus an allowance for greater numbers of self-employed and agricultural workers. On average, Washington farm employment in 1989 was estimated to have increased roughly 4,000 to 75,100. Part of that margin logically carried through into the January reporting. The rate of change in total employment measured 5.8 percent over the 12 months ending in January, contrasting sharply with the national average which has slowed to merely 1.1 percent.

Unemployment, meanwhile, bounced below the prior-year level at least temporarily for the first time in six months. The rate had been dropping on average one percentage point annually since 1983. Labor force growth eventually matched the corresponding increase in employment beginning mid-year 1989. January's atypical weather pattern, however, caused the statewide unemployment rate to drop on a seasonally adjusted basis over the month from 6.0 percent to 5.7 percent of the workforce.

INDUSTRY DEVELOPMENTS

Virtually all of the industries associated with seasonal pattern stood out. In addition, the momentum generated from continued large monthly increases in aircraft manufacturing employment finally ceased. This combination of seasonal and economic factors acted over the month to pull nonfarm employment down but not to the extent that normal seasonal factors would have dictated.

In the final analysis, there is every reason to suspect that the month will prove an aberration. Aside from normal seasonal patterns, the outlook for Washington's economy points to a marked slowdown through 1990. This essentially represents a lagged response to the national economy as some of the insulating factors locally are gradually removed. Specifically aircraft manufacturing, which generated much of Washington's margin above the national average over the past six years, has finally peaked. In addition, some employment cutbacks are also in prospect for forest products and much of manufacturing keyed to national markets.

Weather Packs Less Of A Punch

Fairly typical cutbacks occurred in January throughout many of the state's basic resource-based industries. Food processing, for example, dropped 800 over the month to its low for the year. Approximately 200 were also removed in stone, clay, and glass. Likewise, much of forest products also shifted downward seasonally: lumber manufacturing fell by 100 and paper production

by 300. Logging, however, ran counter to trend by boosting employment 100 over the month.

Lighter than prior-year cutbacks were also reflected in construction (-6,800), trade (-14,600), and services (-6,300). Employment in construction stood at 102,300 in January — the highest for the month on record. Moreover, demand continues to escalate. Statewide housing starts as measured by building permits climbed a whopping 44 percent over the year in the first two months of this year. Logically, that impact will keep employment up in residential construction well into spring.

On the flip side, employment at amusement and recreation facilities dropped by 200 rather than increasing an expected 1,000 in January. Lack of sufficient snowfall held back ski operations until late in the month. Once the season started, however, activity on the slopes was booming with some of the best reported snow conditions in years.

Boeing Hits The Brakes

After six years of steady employment growth, the Boeing Company has begun to pull back. Aircraft manufacturing dropped modestly by 100 in January. This represents the beginning of an expected cutback on the order of 5,000 to year-end, however. Only half that number is expected to represent outright layoffs, the rest is to come through normal attrition. It should be noted that job levels in the industry currently stand at an all-time high of 116,000, up 53,000 from the low in 1983 and 10,000 above the previous peak in 1968. Any adjustment is coming off a very high base.

The shift of gears has nothing to do with the overriding economic environment. Boeing enters the year with an \$85 billion backlog — the largest in aviation history. Moreover, the commercial ordering pace continues strong. While slowed, the national economy proceeds to build and prospects for a major recession are remote. Long-range projections for the commercial aircraft market point to a strong base of operations well into the next decade. The cutbacks this year are basically driven by increased efficiencies coming out of the new 747-400

program as start-up and certification phases have now been completed.

Economic Fundamentals In Place

The rest of manufacturing showed fairly typical December to January behavior. Post-holiday retrenchment in printing and publishing brought employment down by 200 over the month. An equal 200 adjustment also took place in apparel manufacturing. Market rather than seasonal forces, however, were behind the 200 loss in primary metals. Over the past six months, aluminum manufacturing has scaled back by roughly 700 workers from a high of 9,400 last July to 8,700 currently. At the center are lower auto sales and softness in office construction nationally.

Some offset was provided by ongoing strength in instruments and industrial machinery manufacturing, collectively up 300 in January. In addition, the turnaround at Hanford added another 100 workers in chemicals and allied products. Additional environmental cleanup and molecular science work have pushed payrolls among the three principal contractors up 800 over the year and another near 800 are expected to be added by year end.

Year-to-Year Comparisons Pushed Higher

Correspondingly, the year-to-year nonfarm employment margin widened appreciably over the month. Statewide nonagricultural payrolls measured 117,800 higher than a year before — the biggest annual increase ever recorded for the month. Understandably, the largest absolute gains continued to be concentrated in trade (+ 28,600) and services (+ 31,900). Collectively, these two sectors have accounted for well over half the state's annual total nonfarm job growth. In particular, business services heightened by 11 percent over the past 12 months; health services by 6 percent; and hotel and motel payrolls by 12 percent.

Manufacturing, in contrast to a falloff nationally, registered 6 percent or nearly 20,000 higher than a year ago in January. Admittedly, much of that increase has centered in the aircraft industry (+ 8,900). But other significant gains have come in forest products (+ 1,800), food processing (+ 1,400), and machinery production

(+ 1,900). In all likelihood, these margins will ease from hereon out. The State Forecast Council is projecting offsetting manufacturing employment trends in 1990 leading to virtually no change on an annual average basis from 1989. Thanks to continued gains in the services economy, total nonfarm employment is forecast to be up 3.5 percent.

Revised 1988 and 1989 Employment Data

Attached to this issue of the *Washington Labor Market* are the rebenchmarked monthly statewide employment figures for 1988 and 1989. The adjustment from the preliminary reporting for last year was minor: an increase of 10,000 out of a nonfarm workforce of more than 2 million or less than 0.5 percent. Rather than 5.1 percent, the average annual increase for the year came in at 5.3 percent. In either case, this represented the strongest employment growth in Washington since 1978. No major industrial grouping was adjusted more than 3 percent. Both the pattern and the trend during the course of the year remained unchanged.

What did change was a shift for both years from a 1972 to a 1987 *Standard Industrial Classification* (SIC). Essentially, this means that certain industries are grouped differently according to the definitions of the federal Office of Management and Budget. All reporting is henceforth affected. Fortunately for Washington, at the level reported here on a monthly basis there are only two breaks in series: electronic and electrical equipment (SIC 36) and instruments and related products (SIC 38). Data prior to 1988 are not comparable. The first quarter 1988 edition of *Employment and Payrolls in Washington State* outlines in detail the differences between the two SICs as affects more specific reporting in that particular publication.

In addition, a major noneconomic end-of-the-year code change affected chemicals and allied products (SIC 28). Specifically, a portion of the Hanford operations previously reported in services was transferred into manufacturing. In effect, this consolidates the reporting among the major contractors and provides a more mean-

ingful total consistent with that of the Department of Energy. This break in series also begins with 1988.

And finally, additional detail is now being provided. Petroleum, coal, and plastics have been broken out of other manufacturing. Retail trade has three new subdivisions: General Merchandise, Food Stores, and Eating and Drinking establishments. Likewise, Services include data for Hotels and Lodging, Business Services, and Health Services, with added information on Hospitals. State and local government are reported separately, as is education.

AREA TRENDS

Metro Momentum

January unemployment inched up in six of Washington's nine metropolitan areas. The standout exceptions were Seattle, Tri-Cities, and Vancouver where the rates held basically unchanged. In each of these cases, strong economic forces acted over the month to essentially neutralize normal seasonal trends. Seattle's jobless rate at 4.3 percent measured the lowest for the month in 22 years; the Tri-Cities' 9.9 percent, the lowest since 1981; and Vancouver's 5.4 percent registered below any January since the late 1970s. Unemployment for the urban centers ranged from the low of 4.3 percent in Seattle to a typical January high of 16.3 percent in Yakima.

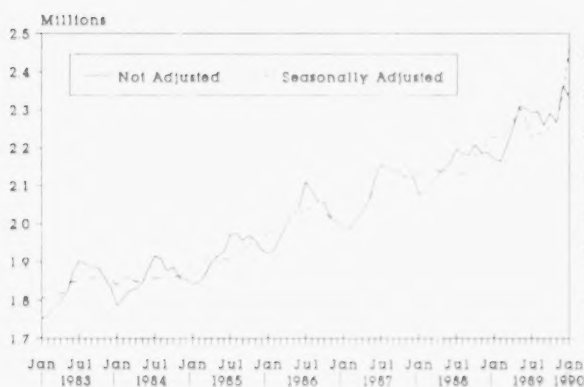
These areas on average have accounted for all of the state's year-to-year improvement in joblessness. Fully 84 percent of the total labor force resides in Washington's designated metropolitan counties, and the half percentage point drop in the cumulative unemployment rate to 5.7 percent in January from 6.3 percent a year ago basically pulled the statewide average in tandem.

Seasonals Elsewhere

For the most part, the balance of the state was affected by fairly typical seasonal factors in January. Unemployment in the timber-dependent counties moved up one percentage point over the month to 10.9 percent from

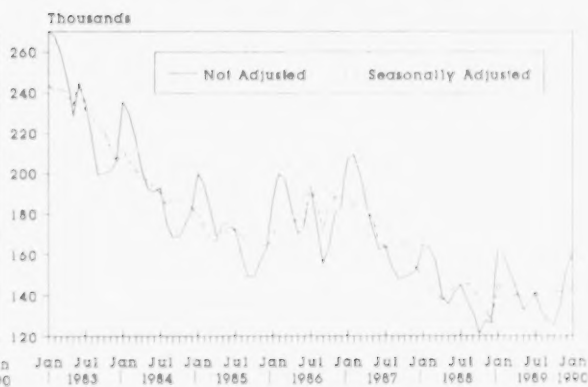
9.7 percent in December. The agricultural economies of Eastern Washington essentially followed suit. Whitman County posted the low for the state at 2.7 percent; Skamania County, the high of 28.2 percent. January unemployment in Pend Oreille County shifted back to a more normal 17.8 percent reading after having been held down artificially a year ago by construction of a major manufacturing plant.

State Total Resident Employment
January 1983-January 1990



Source: Employment Security Department

State Total Resident Unemployment
January 1983-January 1990



Source: Employment Security Department

INDUSTRY NOTES

Plane Talk for the 1990s

The Boeing Company boosted its long-range global aircraft market forecast by 28 percent on the assumption that demand for commercial jetliners has yet to peak. Overall, the market is expected to absorb 9,930 jetliners valued at \$626 billion over the next 15 years. Real disposable income is forecast to climb and real cost of air travel to decrease over the period leading to an average 5.5 percent annual growth in travel volume to 2005. The biggest expansion should come on routes to Asia from North America and Europe.

Requirements for larger unit carrying capacity will boost the proportion of planes with 350 seats or more to 20 percent of the total from 8 percent currently. Those with less than 120 seats will shrink from 35 percent to 12 percent. Greatest size demand, however, is forecast in the 240-to-350 seat range, precisely the fit for Boeing's new 767-X twinjet. Historically, Boeing has captured 54 percent of the world market, and the Company will undoubtedly push to maintain that dominant share in the future.

Forest Products Bailing Out

W-I Forest Products has announced pending sale of all seven sawmills in Washington, Idaho, and Montana together with 88,000 acres of timberland. Economics appears to be behind the divestment. Closure of the Peshastin mill in central Washington will directly involve 135 workers. Possibility of an employee buyout exists for both the Peshastin and nearby Cashmere sawmills in an effort to save the employment base within these local communities.

Seattle Area Prices Swell

Consumer prices in the Seattle-Tacoma area jumped 5.1 percent over the year in the second half of 1989 — the biggest year to year increase in 7 years. The advance outstripped the national average which was up 4.7 percent over the like period. Much of the acceleration centered in housing. The CPI does not measure actual housing prices but a rental equivalent to arrive at homeowner costs which rose 4.6 percent in the second quarter of 1989 from 1988. Food was up 7.5 percent; gasoline, 8.4 percent; and medical care, 5.9 percent. The overall index for urban consumers stood at 119.6 percent of the 1982-84 base in this latest semi-annual reporting.

Consumer Price Index
(All Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
	Jan 90	Dec 89	Jan 89	Dec 89	Jan 89
U.S. City Average	127.4	126.1	121.1	1.0%	5.2%
Seattle†	Jul-Dec 1989	Jul-Dec 1988		Jul-Dec 1988	
	119.6	113.8		5.1%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.

Source: U.S. Department of Labor, Bureau of Labor Statistics

NATIONAL INDICATORS

Manufacturing Weakens Further

Orders to factories for manufactured goods plummeted in January at the steepest rate in 15 years. The 5.4 percent drop over the month to \$227.7 billion came on the heels of a record 10.5 percent falloff in new orders for durable goods — products with a lifespan of better than three years. Leading the descent were orders for transportation equipment, particularly automobiles which toppled 22 percent in January. Aircraft and defense orders were also down. All three came off highs in January. But even excluding transportation and defense, the underlying trend for both new orders and order backlog looked flat entering the new year. Analysts expect some rebound but little significant growth in orders through the remainder of the first quarter.

Consumer Wherewithal Mounts

Consumers have kept the economy rolling through the longest expansion in postwar history. Growth in personal income — the means for maintaining that pace — continued to advance at a healthy 0.8 percent clip in January. Hikes in federal pay and Social Security cost-of-living adjustments figured importantly in the overall increase. However, total wages and salaries also rose over the period by a nearly comparable 0.6 percent. All of that translated directly into consumption: personal spending increased a like 0.6 percent. January's advance brought total personal income to a \$4.6 trillion annual rate; personal spending hit \$3.7 trillion.

Inflation Raises Its Ugly Head

Retail prices, meanwhile, escalated 1.1 percent in January — the highest in 7 years. Much of the upturn centered in the volatile food and energy sectors which account for 60 percent of the overall Consumer Price Index. Frigid temperatures in December cut stocks and drove up prices in January for fuel and fresh fruits and vegetables. Analysts expect a decisive easing on both fronts come March. More worrisome, however, is the so-called core inflation rate — prices excluding food and energy — which rose 0.6 percent over the month, double

December's increase and the largest jump since an identical 0.6 percent hike in January 1989. With inflation apparently stuck in the 4.5 percent to 5 percent range, there is every reason to expect that the Federal Reserve will continue to hold a tight rein on monetary policy for the foreseeable future.

On A Clear Day...Nothing

Understandably, the national economy looks to be moving sideways. The Index of Leading Indicators — the government's main economic forecasting gauge — held unchanged in January giving off little sign of life but also indicating little chance of recession. The index had moved up in the prior two months, and economists had generally been expecting a further moderate increase. January's flat reading held the overall gauge at 145.3 percent of the 1982 base. Three of the 11 data series moved positively over the month, including a big jump in building permits. Encouragingly, business delivery times lengthened and manufacturers' unfilled orders also inched higher.

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	Jan 1990 (Prel)	Dec 1989 (Rev)	Jan 1989 (Rev)	Dec 1988 (Rev)	Numeric Change	
					Dec 1989 to Jan 1990	Jan 1989 to Jan 1990
TOTAL NONAG. WAGE AND SALARY . . .	2,070.4	2,104.9	1,952.6	2,003.6	-34.5	117.8
MANUFACTURING	363.7	366.4	343.8	348.8	-2.7	19.9
Durable Goods	261.8	262.9	246.4	249.5	-1.1	15.4
Lumber & Wood Products	40.6	40.7	39.7	42.2	-0.1	0.9
Furniture & Fixtures	4.1	4.2	4.0	4.3	-0.1	0.1
Stone, Clay & Glass	7.4	7.6	6.7	7.0	-0.2	0.7
Primary Metals	12.7	12.9	13.0	12.9	-0.2	-0.3
Aluminum	8.7	8.8	8.7	8.6	-0.1	0.0
Fabricated Metals	11.9	11.9	11.0	11.3	0.0	0.9
Industrial Machinery & Equipment	19.4	19.2	18.1	18.4	0.2	1.3
Electronic & Other Electrical Equipment	11.9	12.0	11.3	11.1	-0.1	0.6
Transportation Equipment	132.6	133.3	122.3	121.5	-0.7	10.3
Aircraft and Parts	116.2	116.3	107.3	106.3	-0.1	8.9
Instruments & Related	15.0	14.9	14.7	14.8	0.1	0.3
Miscellaneous Manufacturing	6.2	6.2	5.6	6.0	0.0	0.6
Nondurable Goods	101.9	103.5	97.4	99.3	-1.6	4.5
Food & Kindred Products	33.1	33.9	31.7	33.0	-0.8	1.4
Preserved Fruits & Vegetables	10.2	10.8	10.0	10.9	-0.6	0.2
Textiles, Apparel & Leather	7.8	8.0	7.3	7.6	-0.2	0.5
Paper & Allied Products	18.4	18.7	17.5	17.2	-0.3	0.9
Printing & Publishing	22.0	22.3	21.2	21.4	-0.3	0.8
Chemicals & Allied Products	12.7	12.6	11.9	12.3	0.1	0.8
Petroleum, Coal, Plastics	7.9	8.0	7.8	7.8	-0.1	0.1
MINING & QUARRYING	3.6	3.5	3.3	3.2	0.1	0.3
CONSTRUCTION	102.3	109.1	91.2	99.1	-6.8	11.1
TRANSP., COMM., & UTILITIES	111.3	111.9	102.0	104.5	-0.6	9.3
WHOLESALE & RETAIL TRADE	508.0	522.6	479.4	502.5	-14.6	28.6
Wholesale Trade	126.6	128.3	116.7	119.6	-1.7	9.9
Retail Trade	381.4	394.3	362.7	382.9	-12.9	18.7
General Merchandise	42.9	45.5	38.7	42.6	-2.6	4.2
Food Stores	63.6	65.5	59.9	62.5	-1.9	3.7
Eating & Drinking	131.5	134.8	128.7	133.8	-3.3	2.8
FINANCE, INS., & REAL ESTATE	114.5	115.1	108.8	110.6	-0.6	5.7
Finance	52.5	52.6	50.3	50.9	-0.1	2.2
SERVICES	480.6	486.9	448.7	456.1	-6.3	31.9
Hotels & Lodging	24.2	25.9	21.6	22.6	-1.7	2.6
Business Services	78.0	79.6	70.5	74.7	-1.6	7.5
Health Services	144.7	144.6	136.9	137.7	0.1	7.8
Hospitals	47.8	47.8	45.3	45.3	0.0	2.5
GOVERNMENT	386.4	389.4	375.4	378.8	-3.0	11.0
Federal	70.8	72.2	71.2	72.6	-1.4	-0.4
State	113.4	114.4	110.3	109.4	-1.0	3.1
State Education	60.1	62.0	59.1	59.0	-1.9	1.0
Local	202.2	202.8	193.9	196.8	-0.6	8.3
Local Education	108.8	108.9	106.2	107.6	-0.1	2.6
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 3/7/90
Benchmark: 1989

Not Seasonally Adjusted

	January 1990 Preliminary†				December 1989 Revised†				January 1989 Revised†			
	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate
Washington State Total	2,491,800	2,331,400	160,400	6.4	2,516,100	2,363,600	152,500	6.1	2,369,100	2,203,800	165,300	7.0
Bellingham MSA	67,500	62,900	4,600	6.8	68,100	63,900	4,200	6.2	62,000	56,900	5,100	8.2
Bremerton MSA	80,500	76,700	3,800	4.7	82,300	78,500	3,800	4.6	77,100	73,000	4,100	5.3
Olympia MSA	83,800	78,800	5,000	6.0	84,200	79,300	4,900	5.8	77,500	72,500	5,000	6.5
Seattle PMSA	1,133,200	1,084,200	49,000	4.3	1,144,800	1,096,100	48,700	4.3	1,071,300	1,017,500	53,800	5.0
King County‡	895,400	858,400	37,000	4.1	905,000	867,900	37,100	4.1	844,300	803,900	40,400	4.8
Snohomish County‡	237,700	225,700	12,000	5.0	239,800	228,200	11,600	4.8	227,100	213,600	13,500	5.9
Spokane MSA	172,000	159,400	12,600	7.3	174,900	163,300	11,600	6.6	167,000	155,300	11,700	7.0
Tacoma PMSA	259,000	244,000	15,000	5.8	260,800	246,500	14,300	5.5	246,600	230,900	15,700	6.4
Tri-Cities MSA	69,600	62,700	6,900	9.9	69,900	63,000	6,900	9.9	66,300	59,400	6,900	10.4
Benton County‡	52,900	48,400	4,500	8.5	53,200	48,700	4,500	8.5	51,100	46,500	4,600	9.0
Franklin County‡	16,700	14,300	2,400	14.4	16,700	14,300	2,400	14.4	15,200	12,900	2,300	15.1
Vancouver PMSA	127,100	120,200	6,900	5.4	127,700	120,700	7,000	5.5	116,200	109,500	6,700	5.8
Yakima MSA	95,700	80,100	15,600	16.3	96,700	82,600	14,100	14.6	94,900	79,700	15,200	16.0
Adams	6,610	5,430	1,180	17.9	6,640	5,350	1,290	19.4	6,780	4,970	1,810	26.7
Asotin	10,140	9,630	510	5.0	9,570	9,070	500	5.2	8,780	8,260	520	5.9
Clallam	23,850	21,450	2,400	10.1	24,980	22,780	2,200	8.8	23,290	20,850	2,440	10.5
Columbia	1,760	1,410	350	19.9	1,620	1,310	310	19.1	1,750	1,370	380	21.7
Cowlitz	38,450	35,180	3,270	8.5	39,260	36,090	3,170	8.1	36,900	33,830	3,070	8.3
Ferry	3,350	2,940	410	12.2	3,260	2,900	360	11.0	2,970	2,610	360	12.1
Garfield	1,060	980	80	7.5	1,100	1,000	100	9.1	1,060	990	70	6.6
Grant	24,100	21,170	2,930	12.2	24,860	21,910	2,950	11.9	23,830	20,890	2,940	12.3
Grays Harbor	29,140	25,690	3,450	11.8	28,670	25,470	3,200	11.2	26,560	23,580	2,980	11.2
Island	21,500	20,560	940	4.4	21,840	20,900	940	4.3	20,320	19,360	960	4.7
Jefferson	8,610	7,980	630	7.3	8,820	8,210	610	6.9	8,090	7,500	590	7.3
Kittitas	12,140	10,750	1,390	11.4	12,060	10,840	1,220	10.1	12,770	11,300	1,470	11.5
Klickitat	8,340	6,700	1,640	19.7	7,990	6,810	1,180	14.8	8,110	6,520	1,590	19.6
Lewis	27,100	24,350	2,750	10.1	27,020	24,590	2,430	9.0	24,760	22,070	2,690	10.9
Lincoln	4,230	3,980	250	5.9	4,180	3,960	220	5.3	4,240	3,990	250	5.9
Mason	13,890	12,700	1,190	8.6	14,540	13,460	1,080	7.4	13,320	12,240	1,080	8.1
Okanogan	15,710	13,380	2,330	14.8	15,890	13,720	2,170	13.7	15,840	13,410	2,430	15.3
Pacific	7,740	6,810	930	12.0	7,830	6,950	880	11.2	7,090	6,330	760	10.7
Pend Oreille	3,370	2,770	600	17.8	3,410	2,840	570	16.7	4,660	4,220	440	9.4
San Juan	5,260	4,990	270	5.1	5,090	4,860	230	4.5	4,950	4,620	330	6.7
Skagit	37,790	34,090	3,700	9.8	37,410	34,260	3,150	8.4	34,710	30,850	3,860	11.1
Skamania	2,270	1,630	640	28.2	2,260	1,850	410	18.1	2,470	1,780	690	27.9
Stevens	12,140	10,830	1,310	10.8	12,290	11,120	1,170	9.5	11,940	10,750	1,190	10.0
Wahkiakum	1,310	1,150	160	12.2	1,370	1,220	150	10.9	1,270	1,160	110	8.7
Walla Walla	24,670	22,110	2,560	10.4	24,670	22,670	2,000	8.1	23,890	21,280	2,610	10.9
Wenatchee Labor Area	39,370	34,710	4,660	11.8	39,720	35,560	4,160	10.5	40,610	35,790	4,820	11.9
Chelan County‡	26,490	23,240	3,250	12.3	26,520	23,810	2,710	10.2	27,190	23,730	3,460	12.7
Douglas County‡	12,880	11,470	1,410	10.9	13,200	11,750	1,450	11.0	13,420	12,060	1,360	10.1
Whitman	19,510	18,990	520	2.7	20,490	20,020	470	2.3	19,070	18,470	600	3.1

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.



JANUARY STATEWIDE UNEMPLOYMENT RATE = 6.4%

**Estimated Average Hours and Earnings of Production Workers in Manufacturing and of
Nonsupervisory Workers in Nonmanufacturing Activities, State of Washington**

	Prelim Jan Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jan 90	Dec 89	Jan 89	Jan 90	Dec 89	Jan 89	Jan 90	Dec 89	Jan 89
TOTAL MANUFACTURING INDUSTRIES¹	211,210	\$509.16	\$507.38	\$494.88	39.5	40.3	40.3	\$12.89	\$12.59	\$12.28
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,524	\$449.60	\$444.44	\$422.45	40.0	40.7	38.3	\$11.24	\$10.92	\$11.03
Primary Metal Industries	10,484	\$575.93	\$560.73	\$550.31	44.2	43.1	43.4	\$13.03	\$13.01	\$12.68
Fabricated Metal Products	9,507	\$490.44	\$486.80	\$462.17	40.7	40.0	39.3	\$12.05	\$12.17	\$11.76
Machinery	20,072	\$413.44	\$404.81	\$370.11	39.3	40.4	39.0	\$10.52	\$10.02	\$9.49
Food and Kindred Products	21,939	\$353.79	\$353.07	\$354.42	36.7	35.7	35.8	\$9.64	\$9.89	\$9.90
Chemical and Allied Products	4,513	\$630.18	\$671.58	\$635.18	41.9	43.3	40.9	\$15.04	\$15.51	\$15.53
Transportation Equipment	62,351	\$639.15	\$619.66	\$632.03	42.3	41.7	43.8	\$15.11	\$14.86	\$14.43
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	74,754	\$614.07	\$667.78	\$588.40	36.4	38.4	35.9	\$16.87	\$17.39	\$16.39
Wholesale and Retail Trade	398,138	\$251.97	\$276.89	\$263.72	28.6	30.8	29.9	\$8.81	\$8.99	\$8.82
(Includes eating and drinking establishments)										

¹ Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

This Page Intentionally Blank

This Page Intentionally Blank

Nonagricultural Wage and Salary Workers in Washington State, 1989

(Benchmarked: March 1989) (in thousands)

1989
Preliminary
1987 SIC

INDUSTRY	ANNUAL AVERAGE ¹	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TOTAL NONAG. WAGE & SALARY	2,045.3	1,952.6	1,959.7	1,987.1	2,010.7	2,042.0	2,073.3	2,053.8	2,065.8	2,090.0	2,100.1	2,103.8	2,105.1
MANUFACTURING	361.4	343.8	345.1	349.2	353.5	359.8	365.1	367.8	371.5	373.0	371.8	369.5	366.6
Durable Goods	255.1	243.9	244.7	248.0	250.0	253.8	257.7	260.1	260.5	260.7	260.3	260.5	260.5
Lumber & Wood Products ²	33.6	37.2	36.8	37.1	37.8	38.9	40.1	40.3	40.2	39.6	39.0	38.2	38.3
Furniture & Fixtures	4.0	4.0	3.9	4.0	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.1	4.2
Stone, Clay & Glass	7.5	6.7	6.6	7.0	7.3	7.6	7.8	8.0	7.9	7.8	7.6	7.6	7.6
Primary Metals	13.2	13.0	13.0	13.1	13.1	13.2	13.3	13.7	13.6	13.5	13.2	13.0	12.9
Aluminum	8.9	8.7	8.8	8.8	8.9	9.0	9.0	9.4	9.3	9.2	9.0	8.8	8.8
Fabricated Metals	11.8	11.0	11.0	11.2	11.2	11.5	12.1	12.2	12.2	12.4	12.3	12.2	11.9
Indust. Machinery & Equip.	19.0	18.1	18.3	18.6	18.7	19.1	19.5	19.4	19.4	19.2	19.2	19.2	19.2
Elec. & Other Elec'l Eq. ²	11.7	11.3	11.4	11.4	11.5	11.5	11.6	11.7	11.8	11.8	12.0	11.9	12.0
Transportation Equip.	128.5	122.3	123.2	125.0	125.9	127.3	128.7	129.7	130.3	131.3	132.0	133.2	133.3
Aircraft Parts	112.9	107.3	108.3	109.9	110.8	112.2	113.3	114.2	115.0	115.4	115.7 ⁴	116.2 ⁴	116.3
Instruments & Related ²	14.9	14.7	14.8	14.8	14.8	14.9	14.9	15.2	15.1	15.0	14.9	14.9	14.9
Misc. Manufacturing	5.9	5.6	5.7	5.8	5.8	5.9	5.8	6.0	6.0	6.1	6.1	6.2	6.2
Nondurable Goods	106.3	99.9	100.4	101.2	103.5	106.0	107.4	107.7	111.0	112.3	111.5	109.0	106.1
Food & Kindred Products	35.6	31.7	31.8	32.1	34.1	35.9	35.9	35.5	38.8	40.0	39.7	37.2	33.9
Preserved Fruits & Veg. ²	12.9	10.0	10.4	10.3	12.0	13.3	13.0	12.3	15.2	16.8	16.6	14.0	10.8
Textil., Apparel & Leath. ²	7.8	7.3	7.4	7.5	7.6	7.7	7.9	8.0	8.0	8.1	8.1	8.1	8.0
Paper & Allied Products ²	20.8	20.0	20.0	20.1	20.4	20.6	21.3	21.6	21.4	21.3	20.8	20.8	21.3
Printing & Publishing ²	21.8	21.2	21.3	21.5	21.4	21.6	21.8	21.9	22.0	22.2	22.2	22.2	22.3
Chem. & Allied Prod. ²	12.2	11.9	12.0	12.0	11.9	12.0	12.2	12.3	12.5	12.4	12.5	12.5	12.6
Petrol., Coal, Plastics ²	8.1	7.8	7.9	8.0	8.1	8.2	8.3	8.4	8.3	8.3	8.2	8.2	8.0
MINING & QUARRYING	3.6	3.3	3.2	3.4	3.5	3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.5
CONSTRUCTION	106.6	91.2	90.6	96.4	100.9	105.6	109.5	113.9	116.8	116.8	115.8	112.1	109.1
TRANSP., COMM. & UTIL.	107.9	102.0	102.2	103.6	105.3	106.1	109.0	110.1	110.5	111.2	111.1	111.3	111.9
WHOLESALE & RETAIL TRADE	500.9	479.4	476.5	481.1	488.9	498.1	506.9	505.9	512.0	512.4	511.2	516.3	522.6
Wholesale Trade	124.6	116.7	117.9	119.2	121.3	124.0	127.5	126.1	126.8	129.6	129.0	128.3	128.3
Retail Trade	376.4	362.7	358.6	361.9	367.6	374.1	379.4	379.8	385.2	382.8	382.2	388.0	394.3
General Merchandise	38.6	38.7	36.4	36.1	36.0	36.7	37.1	37.0	37.9	39.1	39.9	42.8	45.5
Food Stores	62.3	59.9	59.7	60.5	61.4	62.7	61.6 ³	61.4 ³	62.6	63.6	63.9	64.5	65.5
Eating & Drinking	135.0	128.7	128.8	130.3	133.8	136.1	139.0	139.2	140.9	137.9	135.1	134.9	134.8
FIN., INS. & REAL ESTATE	112.3	108.8	108.9	109.5	110.2	111.4	113.0	113.7	114.4	114.3	113.9	114.0	115.1
Finance	74.6	72.0	72.0	72.5	73.0	73.9	75.1	75.8	76.4	76.3	75.9	75.8	77.0
SERVICES	473.4	448.7	453.7	461.9	467.5	472.9	477.3	477.9	479.5	483.7	485.1	485.3	486.9
Hotels & Lodging	24.7	21.6	21.8	22.4	23.6	24.3	25.8	26.1	26.2	26.2	26.2	25.9	25.9
Business Services	76.5	70.5	71.0	73.1	74.6	76.0	77.8	78.3	78.9	79.0	79.9	79.4	79.6
Health Services	140.8	136.9	137.9	138.9	138.8	140.0	141.1	141.8	142.0	142.3	142.7	143.1	144.6
Hospitals	46.5	45.3	45.5	45.7	45.7	46.2	46.6	46.7	46.9 ³	47.1	47.2	47.4	47.8
GOVERNMENT	379.4	375.4	379.5	382.0	380.9	384.4	388.8	360.8	357.4	374.9	387.5	391.7	389.4
Federal	72.0	71.2	71.1	71.3	71.5	71.6	72.0	72.5	72.8	73.1	72.5	72.2	72.2
State	109.5	110.3	112.1	112.5	111.3	112.0	110.5	96.2	98.2	106.5	114.6	115.1	114.4
Local	197.9	193.9	196.3	198.2	198.1	200.8	206.3	192.1	186.4	195.3	200.4	204.4	202.8
State Education	56.9	59.1	60.6	61.1	59.3	60.1	57.9	43.5	43.6	51.6	61.3	62.5	62.0
Local Education	103.7	106.2	107.6	108.8	108.9	109.4	109.3	88.8	82.3	98.1	106.4	109.7	108.9
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0	8.0	8.0	1.3	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Break in series or change in component parts.

³Workers excluded because of involvement in labor-management disputes.

⁴Labor dispute in aircraft affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period which included the 12th of the month.

Nonagricultural Wage and Salary Workers in Washington State, 1988

(Benchmarked: December 1988) (in thousands)

1988
Revised
1987 SIC

INDUSTRY	ANNUAL AVERAGE ¹	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TOTAL NONAG. WAGE & SALARY	1,943.2	1,854.6	1,886.2	1,886.2	1,913.9	1,935.2	1,963.6	1,949.1	1,959.1	1,996.2	1,989.7	2,001.5	2,003.6
MANUFACTURING	341.8	327.7	328.5	331.8	338.0	340.3	343.9	344.3	347.6	350.4	349.8	350.6	348.8
Durable Goods	238.9	230.3	231.2	232.4	235.6	236.9	240.0	241.2	240.3	242.0	243.9	246.3	247.0
Lumber & Wood Products ²	39.2	37.0	37.4	37.6 ³	38.7	39.6	40.7 ³	40.4 ³	38.9 ³	39.4 ³	40.2	40.2	39.7
Furniture & Fixtures	4.2	4.0	4.0	4.0	4.1	4.2	4.2	4.2	4.2	4.3	4.2	4.3	4.3
Stone, Clay & Glass	7.3	6.7	6.9	7.2	7.4	7.4	7.7	7.7	7.8	7.6	7.3	7.2	7.0
Primary Metals	12.7	12.3	12.2	12.4	12.4	12.4	12.7 ³	12.8 ³	12.9 ³	13.1 ³	12.9	12.9	12.9
Aluminum	8.6	8.3	8.2	8.4	8.4	8.4	8.7	8.9	8.8	8.9	8.7	8.7	8.6
Fabricated Metals	10.9	10.3	10.1	10.1	10.5	10.7	10.9	11.1	11.3	11.3	11.5	11.3	11.3
Indust. Machinery & Equip.	18.0	17.5	17.6	17.8	18.0	17.8	17.9	18.0	18.1	18.3	18.2	18.3	18.4
Elec. & Other Elec'l Eq. ²	10.5	10.0	10.1	10.2	10.3	10.3	10.4	10.6	10.7	10.7	10.8 ³	10.9	11.1
Transportation Equipment	116.2	113.1	113.3	113.5	114.3	114.6	115.5	116.3	116.3	117.0	118.3	120.5	121.5
Aircraft Parts	101.0	98.3	98.3	98.5	98.9	99.3	100.2	100.9	101.2	102.0	103.0	105.4	106.3
Instruments & Related ²	14.6	14.3	14.4	14.4	14.5	14.6	14.6	14.7	14.7	14.7	14.7	14.8	14.8
Misc. Manufacturing	5.5	5.1	5.2	5.2	5.4	5.3	5.4	5.4	5.4	5.6	5.8	5.9	6.0
Nondurable Goods	103.0	97.4	97.3	99.4	102.4	103.4	103.9	103.1	107.3	108.4	105.9	104.3	101.8
Food & Kindred Products	34.2	29.8	30.1	31.7	34.1	34.8	34.6	33.5	37.5	38.2	37.2	35.7	33.0
Preserved Fruits & Veggies	12.9	9.5	9.9	11.0	13.5	14.1	13.8	11.9	15.6	15.9	15.2	13.7	10.9
Textil., Apparel & Leath. ²	7.7	7.3	7.3	7.6	7.8	7.8	7.8	7.8	7.8	7.9	7.8	7.7	7.6
Paper & Allied Products ²	19.6	19.2	19.1	19.2	19.1	19.5	19.8	20.2	20.2	20.1	19.5	19.4	19.7
Printing & Publishing	21.3	20.7	20.8	21.0	21.1	21.2	21.5	21.4	21.6	21.9	21.2	21.4	21.4
Chem. & Allied Prod. ²	12.5	13.0	12.6	12.4	12.7	12.5	12.4	12.4	12.3	12.3	12.3	12.3	12.3
Petrol., Coal, Plastics ²	7.7	7.4	7.4	7.5	7.6	7.6	7.8	7.8	7.9	8.0	7.9	7.8	7.8
MINING & QUARRYING	3.3	2.9	2.9	3.2	3.2	3.3	3.4	3.4	3.5	3.4	3.4	3.3	3.2
CONSTRUCTION	96.6	83.5	84.3	87.5	91.0	94.9	98.9	103.4 ³	106.5	106.9	103.2	100.3	99.1
TRANSP., COMM. & UTIL.	101.9	97.7	97.7	98.7	99.1	100.6	102.4	104.1	104.5	105.4	104.6	104.0	104.5
WHOLESALE & RETAIL TRADE	477.6	453.4	451.8	456.5	463.6	470.6	480.8	485.5	488.4	493.3	489.7	495.4	502.5
Wholesale Trade	116.4	109.9	110.7	112.3	114.4	114.9	118.3	117.6	118.0	120.9	119.9	120.0	119.6
Retail Trade	361.3	343.5	341.1	344.2 ³	349.2	355.7 ³	362.5 ³	367.9	370.4	372.4	369.8	375.4	382.9
General Merchandise	35.3	35.1	33.2	32.4	32.1	32.3	32.4	34.8	35.2	36.3	37.4	40.2	42.6
Food Stores	59.9	57.3	56.9	57.4	58.6	59.5	60.3	60.9	61.4	61.9	61.2	61.2	62.5
Eating & Drinking	132.5	123.5	125.0	126.9	129.4	133.1	136.6	136.1	138.1	138.2	135.0	133.8	133.8
FIN., INS. & REAL ESTATE	109.4	106.7	106.8	107.6	108.3	109.2	110.3	110.7	111.2	110.9	110.0	110.1	110.6
Finance	71.0	70.8	70.5	70.7	70.7	71.0	71.2	71.1	71.3	71.2	71.1	71.1	71.3
SERVICES	443.9	420.6	426.1	431.9	438.8	444.0	448.2	446.6	450.6	457.7	452.3	453.5	456.1
Hotels & Lodging	22.9	20.2	20.4	21.0	21.7	22.7	23.9	24.8	25.7	25.0	23.3	23.0	22.6
Business Services	70.0	63.6	64.3	65.7	67.3	68.8	69.9	71.3	72.6	73.9	73.9	74.0	74.7
Health Services	134.6	130.2	131.0	132.6	133.2	133.5	135.1	135.5	136.6	137.1	136.0	136.6	137.7
Hospitals	44.6	43.1	43.3	43.7	44.3	44.2	44.8	45.1	45.3	45.4	45.1	45.1	45.3
GOVERNMENT	368.8	362.1	368.1	369.0	371.9	372.3	375.7	351.1	346.9	368.1	376.7	384.3	378.8
Federal	71.4	69.7	69.6	70.0	71.2	71.5	73.2	72.3	72.0	71.6	71.5	71.3	72.6
State	105.0	105.6	107.6	107.8	107.5	106.7	105.0	93.3	93.7	101.9	110.5	111.3	109.4
Local	192.4	186.8	190.9	191.2	193.2	194.1	197.5	185.5	181.2	194.6	194.7	201.7	196.8
State Education	54.5	57.0	58.3	58.3	57.8	57.2	54.4	41.4	41.7	49.6	58.6	60.6	59.0
Local Education	101.5	102.4	104.6	105.4	105.6	105.5	105.1	88.5	83.7	96.3	105.2	107.9	107.6
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.2	0.0	0.3	0.7	2.4	2.5	0.5	0.5	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Break in series or change in component parts.

³Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security
Labor Market and
Economic Analysis Branch
212 Maple Park
Mail Stop KG-11
Olympia, WA 98504-5311

OFFICIAL BUSINESS

Penalty For Private Use \$300

WLM

☐ If you no longer wish to receive this publication, please check here
and return this cover to the above address.

If your address has changed, please indicate new address below and
return this cover to the above address.

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HWY
BETHESDA MD 20814



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

MARCH 1990

Highlights

February Employment: A Matter Of Alignment

Washington's employment picture returned to normal in February. January's unseasonably warm weather had allowed many outdoor activities to proceed, thereby boosting employment inordinately. As expected, that month proved an aberration from trend. A nearly perfect compensating offset in February, however, brought the cumulative employment pattern for the year to date back into sync. Nonfarm employment *fell* by 500 workers in February — only the second time in ten years that employment had not shown a modest increase for the month. Understandably, the losses centered in those industries which had been artificially elevated by weather conditions a month before. Specifically, these included lumber and wood products, agriculture and food processing, and construction.

The adjustment over the month, however, was not sufficiently large enough to have any impact on the unemployment numbers. Washington's unemployment rate in February remained relatively unchanged, dropping fractionally by one-tenth of a percentage point to 6.4 percent of the area workforce. Typically, the state's jobless rate stands at the highest point of the year in the first two months as weather holds back activity throughout much of Washington's resource-based industries. Nonetheless, the intensity of job growth over the past year has succeeded in pushing the jobless average down significantly from 7.0 percent in February 1989. And the pattern over the month essentially matched that of the national average which likewise moved down one-tenth of a percentage point to 5.8 percent.

**Resident Civilian Labor Force
Employment and Unemployment in Washington State**

	Feb 1990 <i>Preliminary</i>	Jan 1990 <i>Revised</i>	Feb 1989
Resident Civilian Labor Force	2,533,600	2,492,700	2,366,500
Employment	2,371,900	2,330,400	2,200,500
Unemployment	161,600	162,300	166,000
Unemployment Rate	6.4%	6.5%	7.0%
National Unemployment Rate	5.8%	5.9%	5.6%

Data in this table are not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics

**LABOR FORCE
AND EMPLOYMENT**

This month's *Washington Labor Market* contains revised labor force and unemployment tables for 1988 and 1989. In essence, the data capture a much stronger economy than originally reported. Both the labor force and total employment levels were bumped higher by several thousand. There was no change in the annual average unemployment rate for 1988 at 6.2 percent. But rebenchmarking caused a sizable jump in 1989 from a preliminary reporting of 5.8 percent to a like 6.2 percent. That figure still represents the lowest in 20 years although no improvement on average over the year

before. Moreover, the rate December-to-December was up fully half a percentage point.

Revisions to the state's labor force and unemployment data were much larger than experienced for the accompanying nonagricultural wage and salary employment. Bear in mind, however, that the methodologies behind the two series are dramatically different. The current monthly estimates for the latter series are developed from an employer sample; the former evolves principally from a population survey. One is worker based; the other, place of residence. Both have been refined over time. But the labor force and unemployment series rely upon a number of independent variables for input which understandably during a period of economic extremes can be more difficult to capture.

In addition, this issue contains an updated listing of the state's distressed area designations. By definition, counties with an unemployment rate at least 20 percent higher than the statewide average over the most recent three years and metropolitan areas over the past year qualify. A total of 22 counties and 2 metropolitan areas come under this classification with jobless rates through 1989 averaging equal to or greater than 7.9 percent and 7.4 percent, respectively. There was no change in the count from the prior year. To this end, county profiles have either been prepared or are in process of being finalized for all counties by the Labor Market and Economic Analysis Branch of Employment Security to assist local economic development efforts.

INDUSTRY DEVELOPMENTS

Retrenchment from artificially high job levels in January triggered much of state's resource-based employment pattern in February. This was particularly true in the case of the lumber and wood products and the food processing sectors. In addition, construction scaled back as more typical winter weather set in, and retail trade dropped off seasonally in the aftermath of post-holiday sales. Each of these sectors will witness a reversal of this pattern in coming months as normally higher seasonal factors take hold.

Another drag in February was the further pullback in aircraft manufacturing payrolls. No longer is this sector providing the kind of stimulus to the economy that had been generated over the past six years. But on the other hand, worker adjustments represent nothing more than corrections for productivity gains against a very high base. And realistically, production should remain at current high levels well into 1995 given Boeing's huge \$90 billion existing order backlog.

Manufacturing Dips Rather Than Glides

Rather than increasing by 2,200 workers as would be expected on average in February, Washington's manufacturing industries pulled back this year by a nearly comparable 2,700 workers. Most of that retrenchment simply reflected adjustment against generally inflated levels posted a month before. Both lumber and wood products (-700) and food processing (-600) stood out. In particular, logging set the pace in the forest products sector: up atypically in January and down 500 a month later. This kind of see-saw action, however, belies the fact that the underside of these two principal resource-based industries continued strong through the first two months of the year.

On the other hand, it seems reasonable to suspect that some of this action is simply borrowing from the second half. Clearly, the pending decision by the U.S. Forest Service to significantly restrict old-growth timber supplies in the Pacific Northwest will dramatically impact both employment and output of the entire wood products industry once those limitations are officially enacted. Persistently high levels of logging activity over the past several months in all likelihood is being channeled into inventory buildup to maintain current production levels through 1990.

Aerospace Proceeds To Regroup

Meanwhile, job totals in aircraft manufacturing continued to slip for the second consecutive month. The loss of 700 workers in February represented the most sizable reduction for the industry in seven years. Coming into 1990, the Boeing Company announced a net pullback on the order of 5,000 from an industry-wide

high of 116,300 in December. If achieved, that would still leave the year-end employment base in Washington the highest of any year save 1989.

Happily, overall market demand remains bullish. Boeing is boosting commercial production from 28 to 34 planes a month and proceeding with plans for a new generation 350-seat aircraft tagged the 777 due out this summer. Construction is underway on a new manufacturing plant in Spokane together with \$600 million in additions at Seattle area facilities. Recently plans were also announced for a \$500 million expansion at Boeing's Everett site. Worldwide commercial aircraft deliveries totalled \$287 billion from 1970 through 1989; Boeing is now forecasting demand to 2005 more than double that pace in real terms at \$626 billion for 9,900 planes.

Rest Of Manufacturing Holds Firm

For the most part, the balance of manufacturing held relatively flat in February. Payrolls in primary metals, instruments, and electronic equipment showed no change. Modest downward adjustments of 100 each were recorded in heavy machinery manufacturing, paper and allied products, and printing and publishing. On the flip side, both shipbuilding (+ 300) and chemicals (+ 100) posted gains. Additional work-in-force has acted to boost employment at major shipyards in the Central Puget Sound region by 17 percent over the past year, most of that within the past six months.

Chemicals and allied products in Washington State, by definition, encompass activities at the Hanford Nuclear Reservation. In the 15 months to April 1989, employment among the three principal contractors dropped 15 percent or roughly 2,200 workers. Since that time, thanks to special projects and environmental cleanup, employment has recouped about 800. Moreover, expansion should proceed in orderly fashion through 1990. Hanford employment is projected to increase by 1,000 jobs this year according to the latest semiannual assessment published by the Department of Energy's Pacific Northwest Laboratory at Richland.

*Nonmanufacturing:
A Study Of Offsets*

Nonmanufacturing was basically a study of offsets in February. Losses over the month in construction (-1,700) and trade (-5,000) were more than matched by seasonal heightening in services (+2,900) and government (+6,700). Beginning of a new academic term at colleges and universities was largely responsible for the jump in both public and services payrolls. In addition, the region's ski season finally opened causing a significant blip of several hundred in amusement and recreation.

Construction, meanwhile, continues to set all-time highs. Worker levels of 102,300 in February represented the highest for the month on record. And each segment of the industry has contributed. Housing starts in the first quarter were running at a 58,000 seasonally adjusted annual rate, up better than 40 percent from a year ago. Accordingly, payrolls in residential construction measured 24 percent greater than a year earlier in February; nonresidential was up 15 percent; heavy construction, 1 percent; and special trade contractors, 13 percent over the like month of 1989. Indeed, the beat goes on.

12-Month Tracks Over 100,000

Washington's economy has added 109,900 nonfarm wage and salary workers to its job rolls over the past 12 months. At a 5.6 percent rate of increase, the pace well exceeds both the national average of 2.4 percent over the period and the state's own long-run historical trend averaging 2.9 percent since 1949. Understandably, the largest year-to-year absolute gains are concentrated in the largest employment sectors of services (+30,600) and trade (+25,400). Among the standouts are 7,300 each in business and health services.

Long considered the principal drivers of the economy, the goods-producing sectors of manufacturing and construction were up 15,500 and 11,700, respectively, in February. Roughly half the manufacturing expansion centers in aircraft production (+7,200). But the rest of manufacturing has shown significant gains in industrial machinery (+1,000), paper and allied products (+800), and fabricated metals (+800). Virtually all of the ex-

port-based industries in the state through February continue to track higher than a year before.

AREA TRENDS

Metro Areas Set The Pace

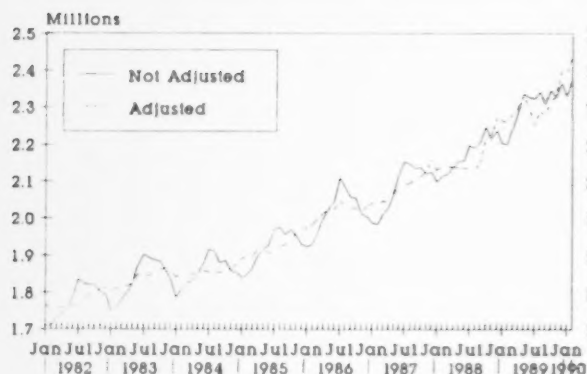
By area, the state's leading major metropolitan regions continue to set the pace. Five of the nine urban centers statewide registered unemployment rates in February approximately a full percentage point lower than a year before. These included Bellingham (6.5 percent), Bremerton (4.8 percent), Seattle (4.1 percent), Tacoma (5.7 percent), and the Tri-Cities (9.2 percent). The remaining four (Olympia, Spokane, Vancouver, and Yakima) also tracked lower than the prior year through the latest month although not to such a degree.

On average, these areas contain 82 percent of the state's population but have accounted for nearly 90 percent of Washington's total employment increase over the past 12 months. Fully half of that gain has been concentrated in the Seattle PMSA. But growth rates for Bellingham, Olympia, and Vancouver have also exceeded the statewide average over the like time period.

Balance of State Holding Its Own

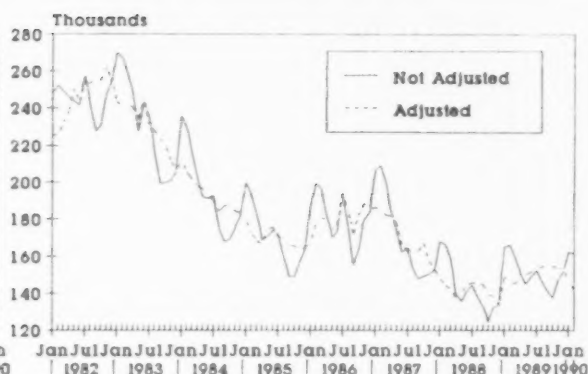
For the most part, the balance of state reflected little more than normal seasonal trends in February. Unemployment for the timber-dependent counties of western Washington inched up from 11.1 percent to 11.9 percent over the month. Collaterally, eastern Washington dropped by a nearly equal amount from 10.8 percent to 10.1 percent. Both areas closely matched their prior year levels and both should move significantly lower with better weather in March.

State Total Resident Employment January 1982-February 1990



Source: Employment Security Department

State Total Resident Unemployment January 1982-February 1990



Source: Employment Security Department

INDUSTRY NOTES

Boeing Postures The Next Generation

Boeing has reached agreement with three Japanese industrial giants for help in producing the new 777 wide-body twinjet. In a unique arrangement which has global implications but falls short of joint ownership, Boeing remains very much in control. The three companies — Mitsubishi, Kawasaki, and Fuji Heavy Industries — are prepared to put up between 8 percent and 10 percent of the start-up costs estimated at several billion dollars. They will also supply selected parts and have access to limited proprietary information. Boeing will manage the program, and if successful, the Japanese will realize a greater return on their investment than possible under a conventional subcontracting arrangement. The task now is to sell sufficient numbers of orders to the airlines for a go-ahead.

Puyallup Settle For Big Bucks

The second largest native land settlement in U.S. history has been awarded the Puyallup Indian tribe in Pierce County. Tribal officials ceded claims to 20,000 acres of Tacoma's industrial heartland in exchange for a

\$162 million package which includes 900 acres of land, up to \$20,000 cash for each of the tribe's 1,500 members, and establishment of trusts aimed at providing jobs, education, and security. The agreement is second only to that of the Alaska Native Claims Act of 1971. Contributors to the settlement include the federal government, Washington State, local municipalities, and private business. The infusion of cash should translate directly into higher personal expenditures within the greater Tacoma metropolitan area.

Tektronix Shifts Back Across The Border

Oregon-based Tektronix corporation will close its Clark County, Washington plant and move those operations to its headquartered Beaverton location by this fall. Most of the 1,200 worker staff will be offered the opportunity to relocate; fewer than 50 will be laid off. Current levels of operation do not require this plant, and greater efficiencies are seen to accrue from having the oscilloscope engineering and manufacturing units in closer proximity to one another.

Fisheries Tangled Net

Increased monitoring of Japanese drift-net fishing vessels will take effect with the 1990 catch season. The United States and Japan have agreed to triple the number of observers on Japanese drift-net boats and equip all vessels with transmitters to better monitor activities in an effort to guard against indiscriminate and wasteful fishing practices. The pact is the fallout from the 1987 Drift Net Act which requires Japan, Korea, and Taiwan to reach drift-net monitoring and enforcement accord with the United States or face unilateral trade sanctions.

Passage of the Magnuson Act a decade ago has accomplished precisely what was intended. Establishment of the 200-mile exclusive coastal zone has prompted a significant buildup of the U.S. fishing industry. In particular, the number of domestic factory trawlers has grown from none to nearly 90. Cumulative investment is figured at \$1.1 billion. A recent survey done for the Alaska Factory Trawlers Association lists 57 trawlers as Seattle-based with employment of roughly 8,900, up from 5,200 in 1988.

NATIONAL INDICATORS

Fourth Quarter GNP Lifted

Estimates of real growth for the national economy in the fourth quarter have been repeatedly boosted higher with each round of revision. From a lethargic 0.5 percent initially, the overall growth rate has been hiked to 0.9 percent and now 1.1 percent. This still represents very sluggish activity largely precipitated by constraining action on the part of the Federal Reserve to fight inflation. Even allowing for revision, however, the fourth-quarter ranks as the slowest pace since the third quarter of 1986 when the economy actually contracted. Data for the first quarter is showing a pickup, and most economists predict the economy will proceed through the year without slipping into recession thereby continuing the longest peacetime expansion in U.S. history.

Big Ticket Durables Bump Higher

Signaling a spurt but definitely not a rout, new factory orders jumped 3.3 percent in February. Bookings for durable equipment turned about sharply from a record 10.7 percent slide in January. However, much of the rise simply reflected the reopening of auto plants following closure a month earlier to reduce inventories. Orders for durable equipment in February totalled \$121.6 billion, up from \$117.6 billion in January but still well below the \$131.7 billion reported in December. Manufacturers generally have been hit hard by the high interest rate strategy central to the Federal Reserve's policy actions.

Inflationary Pressures Subside

The surge of inflation coming into 1990 subsided at least temporarily in February as energy prices retreated. Producer prices showed no change over the month after soaring 1.8 percent in January—the fastest clip since the oil shock of the mid-1970s. Energy prices had skyrocketed 13.6 percent in January; they fell 5 percent in February. Excluding food and energy, whose wide fluctuations often distort the overall trend of inflation, producer prices grew 0.4 percent in the latest month and 3.7 percent over the past year. This monthly rate for

the non-food and energy components was positioned slightly lower than for most of 1989.

Plans For Capital Spending Boosted

In a show of unexpected optimism, U.S. businesses recently boosted their plans for capital spending in 1990. Despite sluggishness which is putting a crimp on corporate profits, companies surveyed by the Commerce Department expect to lay out 7.8 percent more for new plant and equipment this year than last. The previous survey taken last fall indicated a 6.4 percent increase. If realized, the expected growth would follow two years of booming capital spending and provide ongoing support to the national economy.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
	Feb 90	Jan 90	Feb 89	Jan 90	Feb 89
U.S. City Average	128.0	127.4	121.6	0.5%	5.3%
Seattle†	Jul-Dec 1989	Jul-Dec 1988		Jul-Dec 1988	
	119.6	113.8		5.1%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	Feb 1990 (Prel)	Jan 1990 (Rev)	Feb 1989 (Rev)	Jan 1989 (Rev)	Numeric Change	
					Jan 1990 to Feb 1990	Feb 1989 to Feb 1990
TOTAL NONAG. WAGE AND SALARY ..	2069.6	2070.1	1959.7	1952.6	-0.5	109.9
MANUFACTURING	360.6	363.3	345.1	343.8	-2.7	15.5
Durable Goods	259.6	261.3	247.2	246.4	-1.7	12.4
Lumber & Wood Products	39.6	40.3	39.3	39.7	-0.7	0.3
Furniture & Fixtures	4.0	4.1	3.9	4.0	-0.1	0.1
Stone, Clay & Glass	7.2	7.3	6.6	6.7	-0.1	0.6
Primary Metals	12.7	12.7	13.0	13.0	0.0	-0.3
Aluminum	8.7	8.7	8.8	8.7	0.0	-0.1
Fabricated Metals	11.8	11.8	11.0	11.0	0.0	0.8
Industrial Machinery & Equipment	19.3	19.4	18.3	18.1	-0.1	1.0
Electronic & Other Electrical Equipment	11.9	11.9	11.4	11.3	0.0	0.5
Transportation Equipment	132.1	132.6	123.2	122.3	-0.5	8.9
Aircraft and Parts	115.5	116.2	108.3	107.3	-0.7	7.2
Instruments & Related	15.0	15.0	14.8	14.7	0.0	0.2
Miscellaneous Manufacturing	6.0	6.2	5.7	5.6	-0.2	0.3
Nondurable Goods	101.0	102.0	97.9	97.4	-1.0	3.1
Food & Kindred Products	32.5	33.1	31.8	31.7	-0.6	0.7
Preserved Fruits & Vegetables	10.1	10.2	10.4	10.0	-0.1	-0.3
Textiles, Apparel & Leather	7.5	7.8	7.4	7.3	-0.3	0.1
Paper & Allied Products	18.3	18.4	17.5	17.5	-0.1	0.8
Printing & Publishing	22.0	22.1	21.3	21.2	-0.1	0.7
Chemicals & Allied Products	12.8	12.7	12.0	11.9	0.1	0.8
Petroleum, Coal, Plastics	7.9	7.9	7.9	7.8	0.0	0.0
MINING & QUARRYING	3.6	3.6	3.2	3.3	0.0	0.4
CONSTRUCTION	102.3	104.0	90.6	91.2	-1.7	11.7
TRANSP., COMM., & UTIL.	109.3	110.1	102.2	102.0	-0.8	7.1
WHOLESALE & RETAIL TRADE	501.9	506.9	476.5	479.4	-5.0	25.4
Wholesale Trade	126.9	126.4	117.9	116.7	0.5	9.0
Retail Trade	375.0	380.5	358.6	362.7	-5.5	16.4
General Merchandise	38.0	41.5	36.4	38.7	-3.5	1.6
Food Stores	64.3	64.5	59.7	59.9	-0.2	4.6
Eating & Drinking	132.5	131.6	128.8	128.7	0.9	3.7
FINANCE, INS., & REAL ESTATE	114.3	114.2	108.9	108.8	0.1	5.4
Finance	52.6	52.6	50.3	50.3	0.0	2.3
SERVICES	484.3	481.4	453.7	448.7	2.9	30.6
Hotels & Lodging	24.0	24.2	21.8	21.6	-0.2	2.2
Business Services	78.3	78.3	71.0	70.5	0.0	7.3
Health Services	145.2	144.8	137.9	136.9	0.4	7.3
Hospitals	48.1	47.8	45.5	45.3	0.3	2.6
GOVERNMENT	393.3	386.6	379.5	375.4	6.7	13.8
Federal	71.1	71.1	71.1	71.2	0.0	0.0
State	115.8	113.2	112.1	110.3	2.6	3.7
Local	206.4	202.3	196.3	193.9	4.1	10.1
State Education	62.1	60.0	60.6	59.1	2.1	1.5
Local Education	111.0	108.7	107.6	106.2	2.3	3.4
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 4/4/90
Benchmark: 1989

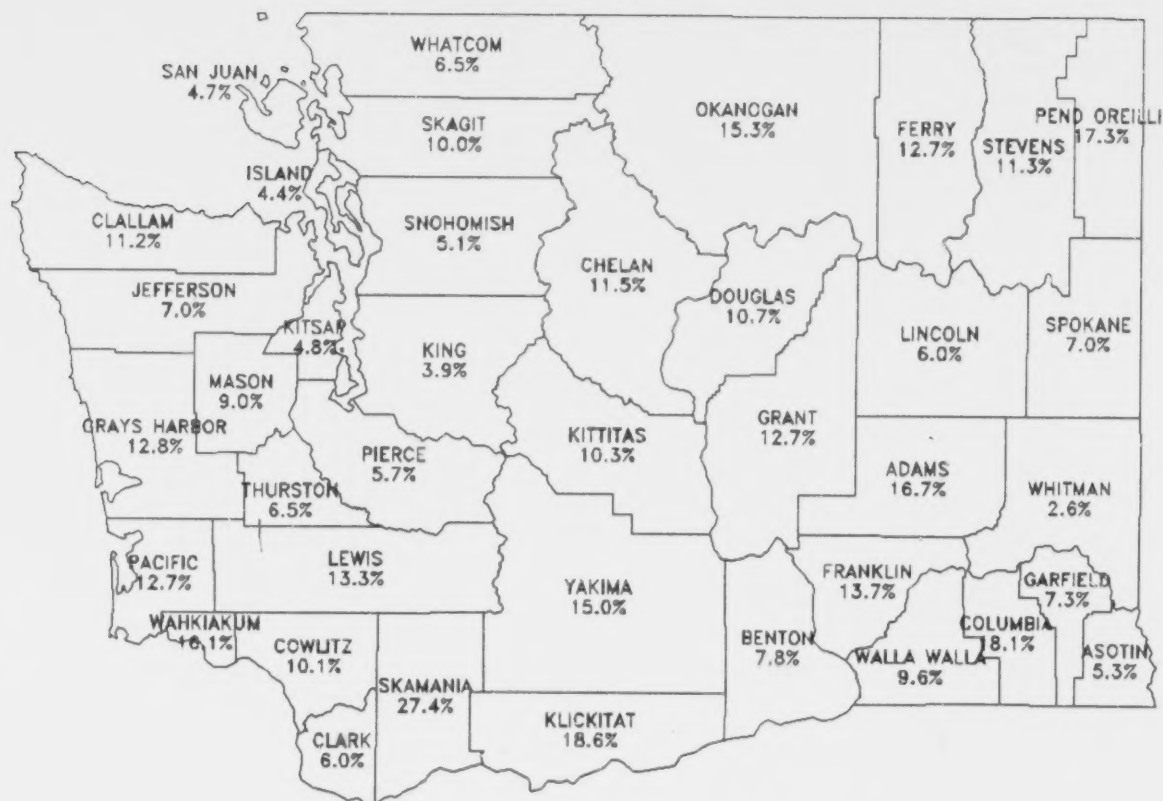
Not Seasonally Adjusted

	February 1990 Preliminary†				January 1990 Revised†				February 1989 Revised†			
	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate
Washington State Total	2,533,500	2,371,900	161,600	6.4	2,492,700	2,330,400	162,300	6.5	2,366,500	2,200,500	166,000	7.0
Bellingham MSA	67,300	62,900	4,400	6.5	66,700	62,100	4,600	6.9	62,100	57,100	5,000	8.1
Bremerton MSA	81,200	77,300	3,900	4.8	80,600	76,500	4,100	5.1	76,800	72,400	4,400	5.7
Olympia MSA	86,200	80,600	5,600	6.5	84,600	79,300	5,300	6.3	78,000	72,400	5,600	7.2
Seattle PMSA	1,153,500	1,105,700	47,800	4.1	1,133,000	1,085,200	47,800	4.2	1,067,700	1,014,800	52,900	5.0
King County‡	911,000	875,500	35,500	3.9	895,300	859,200	36,100	4.0	841,300	801,800	39,500	4.7
Snohomish County‡	242,500	230,200	12,300	5.1	237,600	225,900	11,700	4.9	226,400	213,000	13,400	5.9
Spokane MSA	174,600	162,400	12,200	7.0	172,000	159,000	13,000	7.6	166,900	155,100	11,800	7.1
Tacoma PMSA	259,900	245,000	14,900	5.7	259,300	244,000	15,300	5.9	248,000	230,900	17,100	6.9
Tri-Cities MSA	70,500	64,000	6,500	9.2	69,800	62,500	7,300	10.5	66,600	59,700	6,900	10.4
Benton County‡	53,600	49,400	4,200	7.8	53,100	48,300	4,800	9.0	51,300	46,700	4,600	9.0
Franklin County‡	16,800	14,500	2,300	13.7	16,700	14,200	2,500	15.0	15,300	13,000	2,300	15.0
Vancouver PMSA	129,000	121,300	7,700	6.0	126,800	119,200	7,600	6.0	117,300	109,900	7,400	6.3
Yakima MSA	97,800	83,100	14,700	15.0	95,700	80,100	15,600	16.3	93,300	79,200	14,100	15.1
Adams	6,650	5,540	1,110	16.7	6,680	5,410	1,270	19.0	6,120	5,260	860	14.1
Asotin	10,210	9,670	540	5.3	10,140	9,590	550	5.4	8,640	8,130	510	5.9
Clallam	24,010	21,310	2,700	11.2	23,750	21,350	2,400	10.1	22,990	20,380	2,610	11.4
Columbia	1,820	1,490	330	18.1	1,730	1,400	330	19.1	1,790	1,420	370	20.7
Cowlitz	39,740	35,710	4,030	10.1	38,930	35,390	3,540	9.1	36,680	33,540	3,140	8.6
Ferry	3,380	2,950	430	12.7	3,370	2,930	440	13.1	3,070	2,610	460	15.0
Garfield	1,090	1,010	80	7.3	1,060	970	90	8.5	1,060	980	80	7.5
Grant	24,680	21,550	3,130	12.7	24,290	21,260	3,030	12.5	24,070	21,110	2,960	12.3
Grays Harbor	29,490	25,710	3,780	12.8	29,090	25,670	3,420	11.8	27,160	23,280	3,880	14.3
Island	22,090	21,120	970	4.4	21,690	20,720	970	4.5	20,170	19,130	1,040	5.2
Jefferson	8,620	8,020	600	7.0	8,580	7,960	620	7.2	8,030	7,460	570	7.1
Kittitas	12,390	11,110	1,280	10.3	12,180	10,880	1,300	10.7	12,800	11,410	1,390	10.9
Klickitat	8,440	6,870	1,570	18.6	8,320	6,680	1,640	19.7	7,820	6,500	1,320	16.9
Lewis	28,370	24,600	3,770	13.3	27,080	24,180	2,900	10.7	24,910	22,020	2,890	11.6
Lincoln	4,310	4,050	260	6.0	4,230	3,970	260	6.1	4,280	4,020	260	6.1
Mason	14,150	12,870	1,280	9.0	13,840	12,660	1,180	8.5	13,420	12,220	1,200	8.9
Okanogan	16,220	13,740	2,480	15.3	15,700	13,330	2,370	15.1	16,090	13,700	2,390	14.9
Pacific	7,730	6,750	980	12.7	7,740	6,870	870	11.2	7,170	6,230	940	13.1
Pend Oreille	3,410	2,820	590	17.3	3,390	2,770	620	18.3	4,850	4,420	430	8.9
San Juan	5,320	5,070	250	4.7	5,240	4,980	260	5.0	4,970	4,640	330	6.6
Skagit	38,730	34,870	3,860	10.0	37,910	34,170	3,740	9.9	35,400	31,730	3,670	10.4
Skamania	2,410	1,750	660	27.4	2,270	1,630	640	28.2	2,460	1,770	690	28.0
Stevens	12,380	10,980	1,400	11.3	12,220	10,800	1,420	11.6	11,790	10,610	1,180	10.0
Wahkiakum	1,430	1,200	230	16.1	1,320	1,150	170	12.9	1,250	1,150	100	8.0
Walla Walla	25,010	22,600	2,410	9.6	24,590	22,130	2,460	10.0	23,870	21,380	2,490	10.4
Wenatchee Labor Ar	40,740	36,150	4,590	11.3	39,160	34,620	4,540	11.6	39,670	35,130	4,540	11.4
Chelan County‡	27,370	24,210	3,160	11.5	26,350	23,180	3,170	12.0	26,490	23,290	3,200	12.1
Douglas County‡	13,370	11,940	1,430	10.7	12,810	11,440	1,370	10.7	13,170	11,840	1,330	10.1
Whitman	20,580	20,040	540	2.6	19,600	19,010	590	3.0	19,210	18,670	540	2.8

Washington Labor Market - 13

†Official U.S. Department of Labor, Bureau of Labor Statistics data. §Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

February 1990 Statewide Unemployment Rate = 6.4%

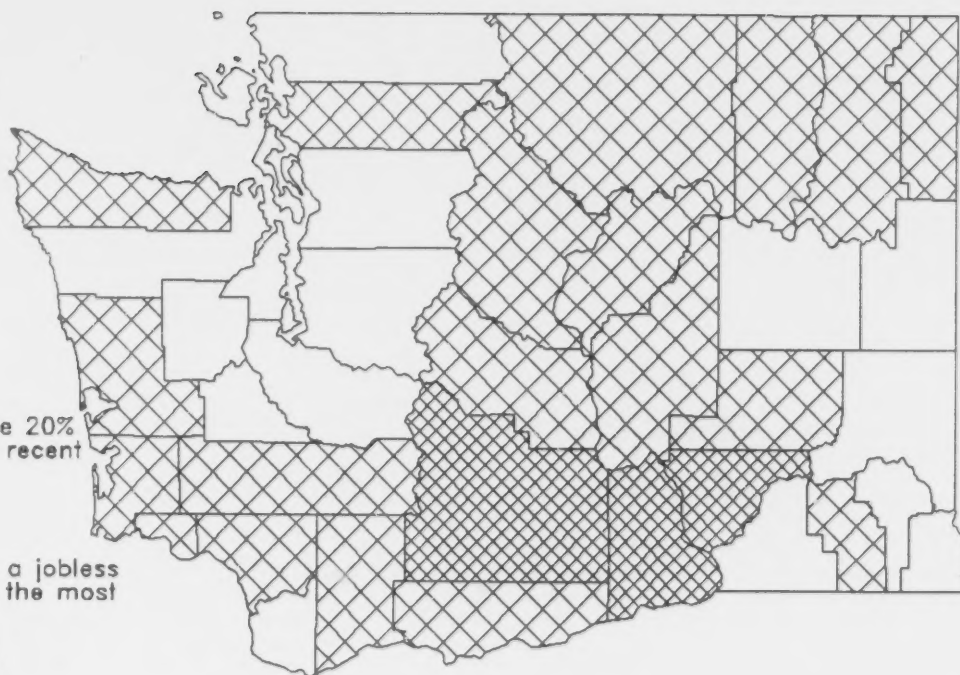
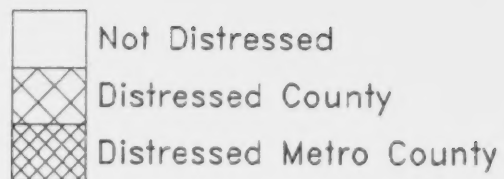


**Estimated Average Hours and Earnings of Production Workers in Manufacturing and of
Nonsupervisory Workers in Nonmanufacturing Activities, State of Washington**

	Prelim Feb Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Feb 90	Jan 90	Feb 89	Feb 90	Jan 90	Feb 89	Feb 90	Jan 89	Feb 89
TOTAL MANUFACTURING INDUSTRIES¹	213,068	\$506.58	\$518.40	\$494.80	39.3	40.5	40.0	\$12.89	\$12.80	\$12.37
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	32,901	\$413.63	\$466.02	\$395.30	37.5	40.7	36.2	\$11.03	\$11.45	\$10.92
Primary Metal Industries	10,210	\$557.66	\$584.64	\$533.80	42.7	44.8	42.5	\$13.06	\$13.05	\$12.56
Fabricated Metal Products	9,380	\$487.22	\$471.58	\$465.31	40.2	39.2	39.4	\$12.12	\$12.03	\$11.81
Machinery	19,951	\$402.42	\$414.09	\$375.00	38.0	39.4	38.7	\$10.59	\$10.51	\$9.69
Food and Kindred Products	22,732	\$361.87	\$364.43	\$354.29	35.9	36.7	36.6	\$10.08	\$9.93	\$9.68
Chemical and Allied Products	4,568	\$659.46	\$633.88	\$678.49	42.3	42.4	42.3	\$15.59	\$14.95	\$16.04
Transportation Equipment	62,359	\$645.24	\$658.81	\$637.12	42.2	43.4	44.0	\$15.29	\$15.18	\$14.48
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	73,595	\$578.26	\$608.76	\$605.33	34.4	36.0	36.4	\$16.81	\$16.91	\$16.63
Wholesale and Retail Trade	441,384	\$268.77	\$273.90	\$256.38	29.6	30.0	29.3	\$9.08	\$9.13	\$8.75
(Includes eating and drinking establishments)										

¹Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Economic Status of Washington Counties, 1989



Distressed counties have a jobless rate 20% above the state average for the most recent 3-year period.

Distressed metropolitan counties have a jobless rate 20% above the state average for the most recent 1-year period.

Source: Employment Security Department

Three Year Average Unemployment Rates Used to Determine Distressed Areas†

	Three Year Average Unemployment Rate (Jan. 87 - Dec. 89)	Distressed Areas: Unemployment Rate Greater Than or Equal to 7.9 Percent
WASHINGTON STATE	6.6	
Adams	11.6	Adams
Asotin	6.2	
Benton	8.2	Benton
Chelan	10.5	Chelan
Clallam	8.7	Clallam
Clark	6.5	
Columbia	14.8	Columbia
Cowlitz	8.5	Cowlitz
Douglas	8.2	Douglas
Ferry	11.4	Ferry
Franklin	11.4	Franklin
Garfield	5.5	
Grant	10.7	Grant
Grays Harbor	10.4	Grays Harbor
Island	5.1	
Jefferson	6.5	
King	5.0	
Kitsap	5.6	
Kittitas	9.7	Kittitas
Klickitat	14.7	Klickitat
Lewis	9.7	Lewis
Lincoln	5.4	
Mason	7.7	
Okanogan	12.1	Okanogan
Pacific	9.6	Pacific
Pend Oreille	12.5	Pend Oreille
Pierce	6.9	
San Juan	4.7	
Skagit	9.4	Skagit
Skamania	18.4	Skamania
Snohomish	5.5	
Spokane	6.7	
Stevens	9.8	Stevens
Thurston	6.6	
Wahkiakum	8.9	Wahkiakum
Walla Walla	7.7	
Whatcom	7.4	
Whitman	3.1	
Yakima	11.4	Yakima

†Data for 1988 and 1989 were revised in March 1990 incorporating updated information on industry employment.

**1989 Annual Average Unemployment Rates
For Metropolitan Statistical Areas
Used to Determine Distressed Areas†**

	1989 Annual Average Unemployment Rate (Jan. 89 – Dec. 89)	Distressed Areas: Unemployment Rate Greater Than or Equal to 7.4 Percent
WASHINGTON STATE	6.2	
Bellingham MSA	6.6	
Bremerton MSA	5.0	
Olympia MSA	6.0	
Seattle PMSA	4.7	
Spokane MSA	6.3	
Tacoma PMSA	6.3	
Tri-Cities MSA	8.5	Tri-Cities MSA
Vancouver PMSA	5.6	
Yakima MSA	12.0	Yakima MSA

†Data for 1989 were revised in March 1990 incorporating updated information on industry employment.

Prepared in cooperation with
the Bureau of Labor Statistics

RESIDENT CIVILIAN LABOR FORCE AND EMPLOYMENT IN WASHINGTON STATE, 1982-1989

Benchmark: March 1989¹

	<u>Ann. Avg.</u>	<u>Jan</u>	<u>Feb</u>	<u>Mar</u>	<u>Apr</u>	<u>May</u>	<u>Jun</u>	<u>Jul</u>	<u>Aug</u>	<u>Sep</u>	<u>Oct</u>	<u>Nov</u>	<u>Dec</u>
1989 Civilian Labor Force ²	2,451,000	2,369,100	2,366,500	2,402,800	2,433,900	2,481,000	2,476,300	2,475,200	2,487,400	2,448,000	2,482,600	2,473,000	2,516,100
Total Employment	2,300,000	2,203,800	2,200,500	2,243,500	2,283,900	2,335,900	2,327,500	2,322,800	2,340,900	2,307,100	2,345,100	2,325,400	2,363,600
Total Unemployment	151,000	165,300	166,000	159,300	150,000	145,100	148,800	152,400	146,500	140,900	137,500	147,600	152,500
Percent of Labor Force	6.2	7.0	7.0	6.6	6.2	5.8	6.0	6.2	5.9	5.8	5.5	6.0	6.1
1988 Civilian Labor Force ²	2,316,000	2,266,600	2,281,700	2,279,800	2,279,600	2,291,600	2,296,400	2,341,700	2,328,300	2,338,000	2,370,200	2,347,500	2,370,600
Total Employment	2,173,000	2,098,400	2,115,200	2,120,900	2,139,700	2,155,900	2,155,300	2,197,200	2,190,200	2,204,900	2,245,800	2,215,400	2,237,100
Total Unemployment	143,000	168,200	166,500	158,900	139,900	135,700	141,100	144,500	138,100	133,100	124,400	132,100	133,500
Percent of Labor Force	6.2	7.4	7.3	7.0	6.1	5.9	6.1	6.2	5.9	5.7	5.2	5.6	5.6
1987 Civilian Labor Force	2,258,000	2,199,000	2,184,600	2,211,800	2,204,900	2,238,800	2,278,800	2,310,700	2,307,400	2,282,500	2,299,500	2,279,800	2,298,300
Total Employment	2,087,000	1,989,700	1,974,400	2,012,100	2,022,700	2,068,700	2,119,500	2,149,000	2,153,800	2,134,100	2,148,900	2,128,300	2,142,900
Total Unemployment	171,000	209,300	210,200	199,700	182,200	170,100	159,300	161,700	153,600	148,400	150,600	151,500	155,400
Percent of Labor Force	7.6	9.5	9.6	9.0	8.3	7.6	7.0	7.0	6.7	6.5	6.5	6.6	6.8
1986 Civilian Labor Force	2,198,000	2,109,900	2,130,100	2,162,400	2,183,000	2,197,700	2,218,500	2,303,900	2,259,900	2,213,000	2,217,500	2,191,400	2,188,600
Total Employment	2,018,000	1,923,800	1,930,700	1,966,000	2,000,700	2,027,500	2,044,900	2,110,000	2,084,800	2,057,600	2,053,500	2,011,700	2,004,700
Total Unemployment	180,000	186,100	199,400	196,400	182,300	170,200	173,600	193,900	175,100	155,400	164,000	179,700	183,900
Percent of Labor Force	8.2	8.8	9.4	9.1	8.4	7.7	7.8	8.4	7.7	7.0	7.4	8.2	8.4
1985 Civilian Labor Force	2,091,000	2,039,600	2,042,100	2,049,400	2,069,800	2,086,900	2,100,500	2,143,200	2,134,800	2,105,000	2,118,300	2,109,000	2,093,400
Total Employment	1,921,000	1,839,700	1,848,300	1,866,900	1,900,600	1,916,500	1,926,800	1,970,900	1,974,400	1,955,700	1,969,400	1,952,600	1,930,200
Total Unemployment	170,000	199,900	193,800	182,500	169,200	170,400	173,700	172,300	160,400	149,300	148,900	156,400	163,200
Percent of Labor Force	8.1	9.8	9.5	8.9	8.2	8.2	8.3	8.0	7.5	7.1	7.0	7.4	7.8
1984 Civilian Labor Force	2,051,000	2,022,100	2,036,800	2,041,100	2,033,700	2,041,700	2,070,700	2,109,100	2,084,200	2,048,200	2,055,400	2,032,400	2,036,600
Total Employment	1,857,000	1,786,700	1,807,500	1,824,900	1,831,700	1,849,500	1,879,700	1,916,300	1,909,200	1,880,100	1,886,300	1,857,300	1,854,900
Total Unemployment	194,000	235,400	229,300	216,200	202,000	192,200	191,000	192,800	175,000	168,100	169,100	175,100	181,700
Percent of Labor Force	9.5	11.6	11.3	10.6	9.9	9.4	9.2	9.1	8.4	8.2	8.2	8.6	8.9
1983 Civilian Labor Force	2,069,000	2,022,100	2,029,700	2,040,900	2,046,100	2,049,100	2,116,100	2,138,200	2,111,600	2,087,100	2,085,400	2,061,300	2,040,400
Total Employment	1,838,000	1,752,200	1,762,400	1,782,000	1,799,900	1,821,200	1,872,800	1,903,100	1,894,200	1,887,600	1,885,500	1,860,300	1,834,800
Total Unemployment	231,000	269,900	267,300	258,900	246,200	227,900	243,300	235,100	217,400	199,500	199,900	201,000	205,600
Percent of Labor Force	11.2	13.3	13.2	12.7	12.0	11.1	11.5	11.0	10.3	9.6	9.6	9.8	10.1
1982 Civilian Labor Force	2,024,000	1,957,800	1,963,000	1,983,000	1,986,100	2,006,500	2,029,300	2,092,900	2,068,100	2,049,100	2,052,200	2,049,800	2,050,100
Total Employment	1,779,000	1,709,400	1,710,800	1,734,000	1,740,200	1,762,800	1,788,000	1,835,600	1,826,100	1,821,500	1,821,800	1,801,600	1,796,000
Total Unemployment	245,000	248,400	252,200	249,000	245,900	243,700	241,300	257,300	242,000	227,600	230,400	248,200	254,100
Percent of Labor Force	12.1	12.7	12.8	12.6	12.4	12.1	11.9	12.3	11.7	11.1	11.2	12.1	12.4

¹Monthly data for all years were revised using new Bureau of Labor Statistics methodology introduced in January 1989.

²Data for 1988 and 1989 were revised in March 1990 incorporating updated information on industry employment.

Note: Detail may not add nor divide due to rounding.

Washington State Employment Security Department
Labor Market and Economic Analysis Branch

The tables on the following two pages are corrected copies of the Nonagricultural Wage and Salary Workers tables for 1988 and 1989 that appeared in last month's *Washington Labor Market*.

Nonagricultural Wage and Salary Workers in Washington State, 1989

(Benchmarked: March 1989) (in thousands)

1989
Preliminary
1987 SIC

INDUSTRY	ANNUAL AVERAGE ¹	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TOTAL NONAG. WAGE & SALARY	2,045.3	1,952.6	1,959.7	1,987.1	2,010.7	2,042.0	2,073.3	2,053.8	2,065.8	2,090.0	2,100.1	2,103.8	2,105.1
MANUFACTURING	361.3	343.8	345.1	349.2	353.6	359.8	365.1	367.7	371.4	372.8	371.7	369.4	366.4
Durable Goods	257.5	246.4	247.2	250.5	252.5	256.3	260.2	262.6	263.0	263.1	262.7	262.9	262.9
Lumber & Wood Products ²	41.1	39.7	39.3	39.6	40.3	41.4	42.6	42.8	42.7	42.0	41.4	40.6	40.7
Furniture & Fixtures	4.0	4.0	3.9	4.0	3.9	3.9	3.9	3.9	4.0	4.0	4.0	4.1	4.2
Stone, Clay & Glass	7.5	6.7	6.6	7.0	7.3	7.6	7.8	8.0	7.9	7.8	7.6	7.6	7.6
Primary Metals	13.2	13.0	13.0	13.1	13.1	13.2	13.3	13.7	13.6	13.5	13.2	13.0	12.9
Aluminum	8.9	8.7	8.8	8.8	8.9	9.0	9.0	9.4	9.3	9.2	9.0	8.8	8.8
Fabricated Metals	11.8	11.0	11.0	11.2	11.2	11.5	12.1	12.2	12.2	12.4	12.3	12.2	11.9
Indust. Machinery & Equip.	19.0	18.1	18.3	18.6	18.7	19.1	19.5	19.4	19.4	19.2	19.2	19.2	19.2
Elec. & Other Elec'l Eq. ²	11.7	11.3	11.4	11.4	11.5	11.5	11.6	11.7	11.8	11.8	12.0	11.9	12.0
Transportation Equip.	128.5	122.3	123.2	125.0	125.9	127.3	128.7	129.7	130.3	131.3	132.0	133.2	133.3
Aircraft Parts	112.9	107.3	108.3	109.9	110.8	112.2	113.3	114.2	115.0	115.4	115.7	116.2	116.3
Instruments & Related ²	14.9	14.7	14.8	14.8	14.8	14.9	14.9	15.2	15.1	15.0	14.9	14.9	14.9
Misc. Manufacturing	5.9	5.6	5.7	5.8	5.8	5.9	5.8	6.0	6.0	6.1	6.1	6.2	6.2
Nondurable Goods	103.8	97.4	97.9	98.7	101.1	103.5	104.9	105.1	108.4	109.7	109.0	106.5	103.5
Food & Kindred Products	35.6	31.7	31.8	32.1	34.1	35.9	35.9	35.5	38.8	40.0	39.7	37.2	33.9
Preserved Fruits & Veg.	12.9	10.0	10.4	10.3	12.0	13.3	13.0	12.3	15.2	16.8	16.6	14.0	10.8
Textil., Apparel & Leath. ²	7.8	7.3	7.4	7.5	7.6	7.7	7.9	8.0	8.0	8.1	8.1	8.1	8.0
Paper & Allied Products ²	18.3	17.5	17.5	17.6	18.0	18.1	18.8	19.0	18.8	18.7	18.3	18.3	18.7
Printing & Publishing ²	21.8	21.2	21.3	21.5	21.4	21.6	21.8	21.9	22.0	22.2	22.2	22.2	22.3
Chem. & Allied Prod. ²	12.2	11.9	12.0	12.0	11.9	12.0	12.2	12.3	12.5	12.4	12.5	12.5	12.6
Petrol., Coal, Plastics ²	8.1	7.8	7.9	8.0	8.1	8.2	8.3	8.4	8.3	8.3	8.2	8.2	8.0
MINING & QUARRYING	3.6	3.3	3.2	3.4	3.5	3.7	3.7	3.7	3.7	3.7	3.7	3.6	3.5
CONSTRUCTION	106.6	91.2	90.6	96.4	100.9	105.6	109.5	113.9	116.8	116.8	115.8	112.1	109.1
TRANSP., COMM. & UTIL.	107.9	102.0	102.2	103.6	105.3	106.1	109.0	110.1	110.5	111.2	111.1	111.3	111.9
WHOLESALE & RETAIL TRADE	500.9	479.4	476.5	481.1	488.9	498.1	506.9	505.9	512.0	512.4	511.2	516.3	522.6
Wholesale Trade	124.6	116.7	117.9	119.2	121.3	124.0	127.5	126.1	126.8	129.6	129.0	128.3	128.3
Retail Trade	376.4	362.7	358.6	361.9	367.6	374.1	379.4	379.8	385.2	382.8	382.2	388.0	394.3
General Merchandise	38.6	38.7	36.4	36.1	36.0	36.7	37.1	37.0	37.9	39.1	39.9	42.8	45.5
Food Stores	62.3	59.9	59.7	60.5	61.4	62.7	61.6	61.4	62.6	63.6	63.9	64.5	65.5
Eating & Drinking	135.0	128.7	128.8	130.3	133.8	136.1	139.0	139.2	140.9	137.9	135.1	134.9	134.8
FIN., INS. & REAL ESTATE	112.3	108.8	108.9	109.5	110.2	111.4	113.0	113.7	114.4	114.3	113.9	114.0	115.1
Finance	74.6	72.0	72.0	72.5	73.0	73.9	75.1	75.8	76.4	76.3	75.9	75.8	77.0
SERVICES	473.4	448.7	453.7	461.9	467.5	472.9	477.3	477.9	479.5	483.7	485.1	485.3	486.9
Hotels & Lodging	24.7	21.6	21.8	22.4	23.6	24.3	25.8	26.1	26.5	26.2	26.2	25.9	25.9
Business Services	76.5	70.5	71.0	73.1	74.6	76.0	77.8	78.3	78.9	79.0	79.9	79.4	79.6
Health Services	140.8	136.9	137.9	138.9	138.8	140.0	141.1	141.8	142.0	142.3	142.7	143.1	144.6
Hospitals	46.5	45.3	45.5	45.7	45.7	46.2	46.6	46.7	46.9	47.1	47.2	47.4	47.8
GOVERNMENT	379.4	375.4	379.5	382.0	380.9	384.4	388.8	360.8	357.4	374.9	387.5	391.7	389.4
Federal	72.0	71.2	71.1	71.3	71.5	71.6	72.0	72.5	72.8	73.1	72.5	72.2	72.2
State	109.5	110.3	112.1	112.5	111.3	112.0	110.5	96.2	98.2	106.5	114.6	115.1	114.4
Local	197.9	193.9	196.3	198.2	198.1	200.8	206.3	192.1	186.4	195.3	200.4	204.4	202.8
State Education	56.9	59.1	60.6	61.1	59.3	60.1	57.9	43.5	43.6	51.6	61.3	62.5	62.0
Local Education	103.7	106.2	107.6	108.8	108.9	109.4	109.3	88.8	82.3	98.1	106.4	109.7	108.9
LABOR-MANAGEMENT DISPUTES	1.4	0.0	0.0	0.0	0.0	0.0	8.0	8.0	1.3	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Break in series or change in component parts.

³Workers excluded because of involvement in labor-management disputes.

⁴Labor dispute in aircraft affecting 42,900 workers from October 4 to November 22 not reflected as workers were on the job a portion of the pay period which included the 12th of the month.

Nonagricultural Wage and Salary Workers in Washington State, 1988

(Benchmarked: December 1988) (in thousands)

1988
Revised
1987 SIC

INDUSTRY	ANNUAL AVERAGE ¹	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
TOTAL NONAG. WAGE & SALARY	1,943.2	1,854.6	1,886.2	1,886.2	1,913.9	1,935.2	1,963.6	1,949.1	1,959.1	1,996.2	1,989.7	2,001.5	2,003.6
MANUFACTURING	341.8	327.7	328.5	331.8	338.0	340.3	343.9	344.3	347.6	350.4	349.8	350.6	348.8
Durable Goods	241.4	232.8	233.7	234.9	238.1	239.4	242.5	243.7	242.8	244.5	246.4	248.8	249.5
Lumber & Wood Products ²	41.7	39.5	39.9	40.1 ³	41.2	42.1	43.2 ³	42.9 ³	41.4 ³	41.9 ³	42.7	42.7	42.2
Furniture & Fixtures	4.2	4.0	4.0	4.0	4.1	4.2	4.2	4.2	4.2	4.3	4.2	4.3	4.3
Stone, Clay & Glass	7.3	6.7	6.9	7.2	7.4	7.4	7.7	7.7	7.8	7.6	7.3	7.2	7.0
Primary Metals	12.7	12.3	12.2	12.4	12.4	12.4	12.7	12.8 ³	12.9 ³	13.1 ³	12.9	12.9	12.9
Aluminum	8.6	8.3	8.2	8.4	8.4	8.4	8.7	8.9	8.8	8.9	8.7	8.7	8.6
Fabricated Metals	10.9	10.3	10.1	10.1	10.5	10.7	10.9	11.1	11.3	11.3	11.5	11.3	11.3
Indust. Machinery & Equip.	18.0	17.5	17.6	17.8	18.0	17.8	17.9	18.0	18.1	18.3	18.2	18.3	18.4
Elec. & Other Elec'l Eq. ²	10.5	10.0	10.1	10.2	10.3	10.3	10.4	10.6	10.7	10.7	10.8 ³	10.9	11.1
Transportation Equipment	116.2	113.1	113.3	113.5	114.3	114.6	115.5	116.3	116.3	117.0	118.3	120.5	121.5
Aircraft Parts	101.0	98.3	98.3	98.5	98.9	99.3	100.2	100.9	101.2	102.0	103.0	105.4	106.3
Instruments & Related ²	14.6	14.3	14.4	14.4	14.5	14.6	14.6	14.7	14.7	14.7	14.7	14.8	14.8
Misc. Manufacturing	5.5	5.1	5.2	5.2	5.4	5.3	5.4	5.4	5.4	5.6	5.8	5.9	6.0
Nondurable Goods	100.5	94.9	94.8	96.9	99.9	100.9	101.4	100.6	104.8	105.9	103.4	101.8	99.3
Food & Kindred Products	34.2	29.8	30.1	31.7	34.1	34.8	34.6	33.5	37.5	38.2	37.2	35.7	33.0
Preserved Fruits & Veggies	12.9	9.5	9.9	11.0	13.5	14.1	13.8	11.9	15.6	15.9	15.2	13.7	10.9
Textil., Apparel & Leath. ²	7.7	7.3	7.3	7.6	7.8	7.8	7.8	7.8	7.8	7.9	7.8	7.7	7.6
Paper & Allied Products ²	17.1	16.7	16.6	16.7	16.6	17.0	17.3	17.7	17.7	17.6	17.0	16.9	17.2
Printing & Publishing	21.3	20.7	20.8	21.0	21.1	21.2	21.5	21.4	21.6	21.9	21.2	21.4	21.4
Chem. & Allied Prod. ²	12.5	13.0	12.6	12.4	12.7	12.5	12.4	12.4	12.3	12.3	12.3	12.3	12.3
Petrol., Coal, Plastics ²	7.7	7.4	7.4	7.5	7.6	7.6	7.8	7.8	7.9	8.0	7.9	7.8	7.8
MINING & QUARRYING	3.3	2.9	2.9	3.2	3.2	3.3	3.4	3.4	3.4	3.5	3.4	3.3	3.2
CONSTRUCTION	96.6	83.5	84.3	87.5	91.0	94.9	98.9	103.4 ³	106.5	106.9	103.2	100.3	99.1
TRANSP., COMM. & UTIL.	101.9	97.7	97.7	98.7	99.1	100.6	102.4	104.1	104.5	105.4	104.6	104.0	104.5
WHOLESALE & RETAIL TRADE	477.6	453.4	451.8	456.5	463.6	470.6	480.8	485.5	488.4	493.3	489.7	495.4	502.5
Wholesale Trade	116.4	109.9	110.7	112.3	114.4	114.9	118.3	117.6	118.0	120.9	119.9	120.0	119.6
Retail Trade	361.3	343.5	341.1	344.2 ³	349.2	355.7 ³	362.5 ³	367.9	370.4	372.4	369.8	375.4	382.9
General Merchandise	35.3	35.1	33.2	32.4	32.1	32.3	32.4	34.8	35.2	36.3	37.4	40.2	42.6
Food Stores	59.9	57.3	56.9	57.4	58.6	59.5	60.3	60.9	61.4	61.9	61.2	61.2	62.5
Eating & Drinking	132.5	123.5	125.0	126.9	129.4	133.1	136.6	136.1	138.1	138.2	135.0	133.8	133.8
FIN., INS. & REAL ESTATE	109.4	106.7	106.8	107.6	108.3	109.2	110.3	110.7	111.2	110.9	110.0	110.1	110.6
Finance	71.0	70.8	70.5	70.7	70.7	71.0	71.2	71.1	71.3	71.2	71.1	71.1	71.3
SERVICES	443.9	420.6	426.1	431.9	438.8	444.0	448.2	446.6	450.6	457.7	452.3	453.5	456.1
Hotels & Lodging	22.9	20.2	20.4	21.0	21.7	22.7	23.9	24.8	25.7	25.0	23.3	23.0	22.6
Business Services	70.0	63.6	64.3	65.7	67.3	68.8	69.9	71.3	72.6	73.9	73.9	74.0	74.7
Health Services	134.6	130.2	131.0	132.6	133.2	133.5	135.1	135.5	136.6	137.1	136.0	136.6	137.7
Hospitals	44.6	43.1	43.3	43.7	44.3	44.2	44.8	45.1	45.3	45.4	45.1	45.1	45.3
GOVERNMENT	368.8	362.1	368.1	369.0	371.9	372.3	375.7	351.1	346.9	368.1	376.7	384.3	378.8
Federal	71.4	69.7	69.6	70.0	71.2	71.5	73.2	72.3	72.0	71.6	71.5	71.3	72.6
State	105.0	105.6	107.6	107.8	107.5	106.7	105.0	93.3	93.7	101.9	110.5	111.3	109.4
Local	192.4	186.8	190.9	191.2	193.2	194.1	197.5	185.5	181.2	194.6	194.7	201.7	196.8
State Education	54.5	57.0	58.3	58.3	57.8	57.2	54.4	41.4	41.7	49.6	58.6	60.6	59.0
Local Education	101.5	102.4	104.6	105.4	105.6	105.5	105.1	88.5	83.7	96.3	105.2	107.9	107.6
LABOR-MANAGEMENT DISPUTES	0.6	0.0	0.0	0.2	0.0	0.3	0.7	2.4	2.5	0.5	0.5	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Break in series or change in component parts.

³Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security
Labor Market and
Economic Analysis Branch
212 Maple Park
Mail Stop KG-11
Olympia, WA 98504-5311

OFFICIAL BUSINESS
Penalty For Private Use \$300

WLM

☐ If you no longer wish to receive this publication, please check here
and return this cover to the above address.

If your address has changed, please indicate new address below and
return this cover to the above address.

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HIWY
BETHESDA MD 20814



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

April 1990

Highlights

Behold The Ides of March

It certainly wasn't Brutus but something sure cut Washington's unemployment rate down to size in March. The level of statewide joblessness dropped nearly a full percentage point over the month from 6.5 percent to 5.6 percent of the workforce — double what would normally be expected. This represented the lowest level of unemployment for March since 1968. The rate contrasted sharply with 6.6 percent a year ago and basically converged on the national average at 5.4 percent. On the surface, a combination of factors appeared to be working. First and foremost the economy continued strong. When overlaid atop normal seasonal upturn, the combination caused the state's employment base to spike sharply higher.

But secondly, the labor force failed to grow. All of the monthly gain in employment in March was met by pull-

ing workers off the state's jobless rolls. Over the past year, the civilian workforce in Washington has expanded by 143,000. Estimates of net in-migration tend to support these kinds of increase. Certainly, one month does not a trend make. However, if the labor force has indeed slowed for whatever reason, this alone could act to constrain the potential employment expansion of the state over the balance of this year.

Currently, the Washington economy, together with much of the Pacific Northwest, is flying in the face of national trends. For the most part, employment growth at present continues little changed from that of the recent past. In contrast, a decisive slowing has taken place nationally for the better part of a year, particularly in manufacturing. Admittedly, portions of the regional economy are looked upon this year to provide less thrust. Key among these are forest products and aircraft manufacturing. Available forecasts for 1990, however, show only a diminution in overall growth and an economy continuing to track higher than that of the nation for the fifth consecutive year.

**Resident Civilian Labor Force
Employment and Unemployment in Washington State**

	Mar 1990 Preliminary	Feb 1990 Revised	Mar 1989
Resident Civilian Labor Force	2,545,600	2,538,200	2,402,800
Employment	2,401,800	2,372,900	2,243,500
Unemployment	143,800	165,300	159,300
Unemployment Rate	5.6%	6.5%	6.6%
National Unemployment Rate	5.4%	5.8%	5.2%

Data in this table are not seasonally adjusted.

Source: U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's employment setting in March reflected a combination of seasonal and cyclical strengths. Nonfarm employment expanded over the month by 23,400 — only slightly less than the 27,400 posted in March 1989. Typically, these spring months mark the beginning of increased activity throughout much of the state's resource-based industries. As usual, the swing was led by forest products and food processing. In addition, con-

struction mounted to a new high for March. And build-up for the 1990 Census added several hundred temporary workers to government payrolls.

The only significant offsets in March came in aircraft manufacturing, communications services, and general merchandise retailing. Each reflected losses of several hundred workers over the month. However, none of the shortfall was the result of underlying weakness in market demand. On the contrary, both resident and export markets for Washington-based goods and services continued strong. Population growth is proceeding at a pace more than twice the national average. And orders on hand for 1,700 aircraft in all likelihood will keep Boeing production lines humming well into the mid-1990s. Whatever changes took place in March were either seasonal or short-term productivity adjustments.

Manufacturing Stands Pat

On balance, Washington's manufacturing industries stood basically unchanged. Both lumber and wood products (+ 500) and food processing (+ 700) mounted seasonally as warmer weather set in. Higher construction boosted overall activity in stone, clay, and glass (+ 400). Shipbuilding payrolls heightened further by 200 to 10,300 workers, a 1,500 gain over the past 12 months. Machinery and instruments manufacturing held firm.

On the downside, aircraft manufacturing pulled back by another 500 in March. Basically, efficiencies on the giant 747-400 have prompted Boeing to reduce overall worker levels this year for the first time since 1983. The announced target for the year is 5,000. Given the huge order backlog presently in hand and the prospect for near term go-ahead on the new 777 aircraft, any adjustment is expected to be relatively modest and relatively short-lived.

Accounting For The Differences

Part of the reason Washington's major industrial base is holding its own while that of the nation languishes relates to differences in principal markets. For much of Washington's basic export industries (lumber and wood products specifically logging; instruments and electronic

equipment; agriculture and food processing; and commercial aircraft) a significant portion of final demand is exported. Washington ranks first in the nation in terms of proportion of gross state product sold in overseas markets. Per capita income generated through foreign trade is more than double the national average. At a time when divergence exists between foreign and domestic demand, sales oftentimes become a matter of relative position.

Secondly, owing to physical distances from major market centers, many of Washington's principal manufacturers outside of the resource-based industries have become successful by carving out special market niches in which their product dominates. Certainly, market fluctuations are not absent for these industries. But, barring a major business downturn, some degree of stability is present among these firms which is noticeably lacking among lesser players.

And, finally, the regional economies of Washington, Oregon, Idaho, and Alaska continue to lead the nation in terms of population and employment growth. This area constitutes the principal market for such industries as fabricated metals, heavy machinery manufacturing, and selected business services. In a real sense, growth is feeding on growth. The attendant expansion taking place in the services economy, as a result, is generating additional demand for manufactured input.

Counting People Adds To The Count

Nonmanufacturing employment expanded sharply by 22,000 workers in March. This constituted the largest increase for the month in 10 years save 1989. Construction mounted by 6,100 to a level of 109,400—the highest for the month on record. Warmer weather also figured importantly in the employment gains posted in trade (+ 5,200) and services (+ 6,700). Within these groupings, some of the most significant expansion occurred in eating and drinking establishments (+ 2,200) and business services (+ 1,700).

Buildup for the 1990 Census over the month was another add on. Nearly all of the 1,000 worker increase in federal government payrolls represented temporary

census hires. On-site enumeration of the homeless and other specific target groups constituted an important facet of this year's decennial census count and, accordingly, added to overall staffing requirements. Further hiring in both April and May is expected to bring staffing to a peak of 7,000 by the end of June.

At that time, hiring for the Goodwill Games should begin to kick in. Preliminary estimates by the consultant to the Goodwill Committee peg the employment impact at roughly 5,000 for the two-week event. Dollar impact is figured at \$300 million. Most of the nonmanufacturing sectors will be affected at various sites throughout the state on potential total ticket sales of 1.1 million.

SPOTTED OWLS CAST A HUGE SHADOW

Atop all this, the specter of timber cuts looms large. Forest products manufacturing in Washington represents a \$10 billion industry with an average 60,000 workers in 1989. It ranks second only to aerospace in terms of contribution to gross state product, and for many communities in the Olympic Peninsula and southwest Washington it constitutes the only game in town. Cycles associated with the ebb and flow of its principal markets have long pulled the state in tandem. And massive restructuring to regain competitive position in the early-1980s had a measurable domino effect.

Total timber harvest in Washington State last year was estimated between 7.1 and 7.4 billion board feet. Roughly 2.8 billion of that amount was exported. Based upon average employment in the lumber and wood products sector of 42,450 last year (41,100 wage and salary workers and 1,350 sole proprietors), this level of harvest translates into 1.6 logging jobs and 6.6 lumber mill processing jobs per million board feet of output. By applying a job multiplier of 2.95 from the *Washington Input-Output Study* the indirect impact measures roughly 16 additional jobs per million board feet sprinkled throughout the economy.

*Timber Shortage
Becomes the Issue*

As demand for timber has heightened, particularly for log exports, cutting in the forests of the Pacific Northwest has intensified. In an effort to challenge the U.S. Forest Service's management policies, environmentalists successfully sued in court last year to stop timber sales through use of federal law that requires the spotted owl be protected as an indicator species of the forest ecosystem. A one-year compromise ensued. Meanwhile, a blue-ribbon group of biologists comprising the Interagency Scientific Commission has determined that the spotted owl is indeed imperiled and has proposed vast reduction of timber harvest on old-growth USFS lands in order to protect habitat.

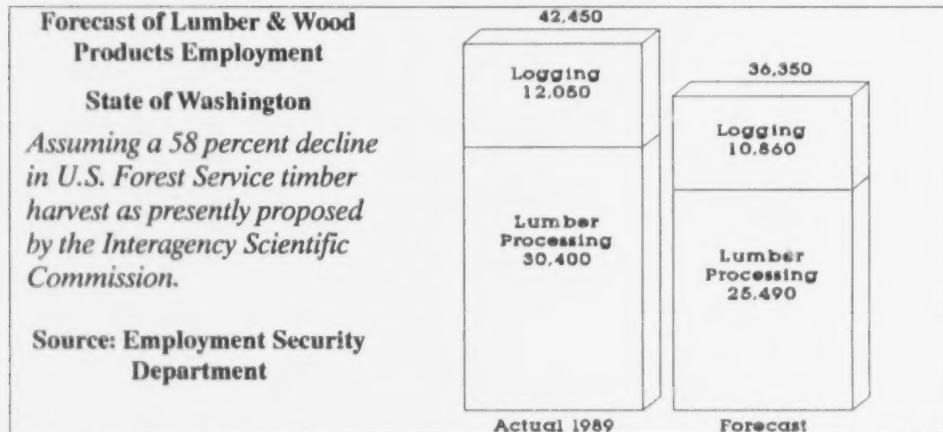
While the majority of old-growth timber is on federal and state lands, private tracts of old-growth also exist. As a result, any ruling could likely affect all areas. The proposal on the table calls for a reduction of harvest on Washington USFS lands of roughly 60 percent — from 1,287 million board feet of timber cut in 1989 to 542 million. A decline of this magnitude could result in the direct loss of 6,100 jobs (1,190 loggers and 4,910 mill workers). Another 12,000 would logically be affected indirectly throughout the economy. Cumulative direct and indirect loss of wages and benefits could total close to half a billion dollars.

A Litany Of Things To Come

The U.S. Fish Wildlife Service has until late June to decide whether or not to list the spotted owl as a "threatened or endangered" species. If enacted, the agency would then have a year to come up with a plan or simply adopt the ISC recommendation. In either scenario, the impact upon the state's forest products industry is destined to be significant.

Cutting back log exports is deemed one solution to retaining the available timber resource for domestic mills. A ban on log exports from federal land has been in existence for 20 years. Now the state is following suit by proposing a 75 percent reduction in log exports from state-owned lands. But even an outright ban on log exports will not make up the amount of timber resource

likely to be declared off limits through administrative action over the next several months.



Year-Over-Year Tops 100,000

Washington's economy expanded by 109,600 jobs or 5.5 percent over the past 12 months. That rate of increase exceeded the national average by better than 2 to 1 and ranked the state third highest among the 50 states. Only Nevada and Idaho tracked higher. Understandably, the largest absolute job gains have come in the biggest industry groupings of trade (+26,800) and services (+29,900). Both resident and export demand played an important part in the year-to-year gain in business services (+7,100). Likewise, greater tourism and business travel figure importantly in higher payrolls at area hotels (+2,500) and restaurants and bars (+4,700).

At a time when manufacturing nationally is down nearly 250,000 workers over the year, Washington's basic goods-producing sector continues to mount. Total statewide manufacturing employment registered 13,800 or 4 percent above the prior year in March. Roughly a third of that job growth has come in aircraft manufacturing. The remaining two-thirds is distributed widely through food processing (+1,200), metals and machinery (+2,000), forest products (+1,600), and other transportation equipment (+1,500). Additional waste cleanup and environmental restoration at Hanford has generated 800 more jobs in chemicals.

AREA TRENDS

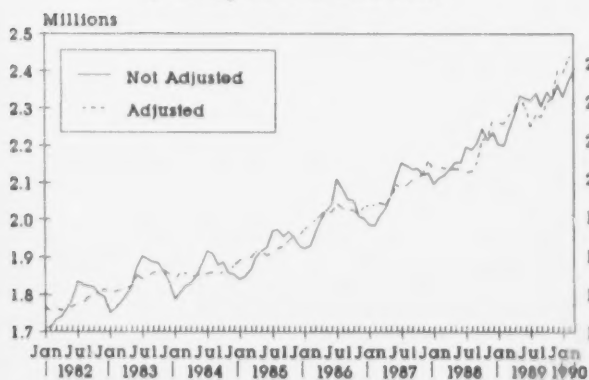
Seasonal Swing Sets The Pace

Much of the improvement in March took place within the state's resource-based economies. Areas outside the major metropolitan centers accounted for the bulk of the month-to-month unemployment change. Overall jobless rates in agriculturally-dependent eastern Washington dropped over the month from 10.3 percent to 9.0 percent of the area workforce. Those of the timber-dependent counties of western Washington, likewise, fell from 12.0 percent in February to 9.4 percent in March. Both areas registered close to a percentage point below prior year levels. Further seasonal progress can reasonably be expected over the next several months.

Urban Job Growth = Expanding Economies

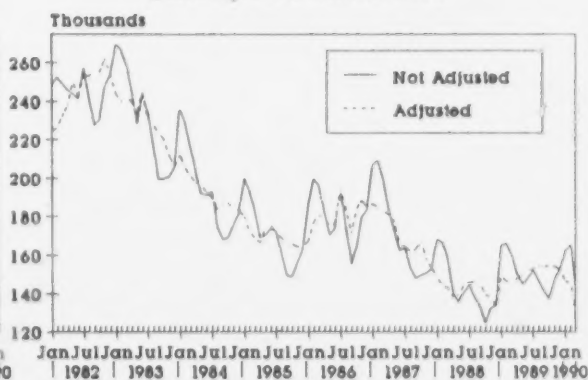
Washington's urban areas averaged a 5.0 percent unemployment rate in March, down from 5.7 percent in February and 6.0 percent a year earlier. Specifically, the Seattle PMSA led the state with 3.9 percent jobless in March — the lowest rate for the month since the Boeing boom of the late-1960s. Tacoma and Spokane tracked at 5.3 percent and 6.2 percent, respectively. For the most part, these economies might reasonably be considered to be within the range of full employment. Additional relatively low readings were recorded for Bremerton at 4.6 percent, Olympia at 5.4 percent, and Vancouver at 5.5 percent.

State Total Resident Employment
January 1982-March 1990



Source: Employment Security Department

State Total Resident Unemployment
January 1982-March 1990



Source: Employment Security Department

INDUSTRY NOTES

First Farm Forecast

In the first production forecast for 1990, the Washington Agricultural Statistics Service has pegged this year's winter wheat crop at 141.8 million bushels. If realized, this would measure more than double last year's winter-killed crop of 68.9 million bushels and the highest production level for this key crop since 1984. Yield is estimated at 63 bushels per acre — the second highest on record. Demand last year was boosted by a combination of strong domestic and export markets which should carry through into 1990.

Fort Lewis In Transition

The 9th Infantry Division at Fort Lewis is targeted for elimination by 1992. The first unit — the 23rd Infantry Regiment — departed in mid-April. Approximately 2,900 troops are scheduled to be removed this year, another 3,100 next year, and 1,900 in 1992. Current proposals call for the transfer of the 7th Infantry Division from Fort Ord, California by 1992-93. Net impact would be a gain of 3,000.

High-Tech On A Roll

As a sign of the times, Washington's electronics industry is expanding rapidly both in terms of employment and capacity to meet burgeoning demand. Microsoft — the nation's leading personal computer software manufacturer — plans to hire 1,000 new workers this year mostly in the Redmond area. That addition would bring the firm's employment to nearly 6,000 worldwide and 3,600 at Redmond by year-end. Plans are also underway to add 320,000 square feet to the existing 800,000 square feet of plant capacity. Profits of the company were up 83 percent over the year in the first quarter. Sales for the past 12 months exceeded \$1 billion for the first time in history.

More action is coming from southwest Washington. SEH America Inc. — the Japanese-owned manufacturer of silicon wafers — will add 200 workers to the current 970 employment base at Vancouver by year-end. The addition is necessary to move production from 5 to 7 days a week. Strong markets could also cause SEH to increase its 250,000 square feet of manufacturing space in the near future.

NATIONAL INDICATORS

First Quarter Picks Up The Pace

The nation's economy appears to have picked up speed in the first quarter. Real Gross National Product — the inflation-adjusted measure of all goods and services produced — grew in the first three months at a 2.1 percent annual rate, up significantly from the fourth quarter's low 1.1 percent reading. Consumer spending, which accounts for two-thirds of the nation's economic activity, rebounded sharply from \$3.6 billion to \$16.4 billion thanks largely to auto dealer incentives. Unseasonably warm weather through much of January and February was also a contributing factor. Real final demand swelled from a pace of 1.1 percent to 4.0 percent.

Inflation Continues To Chip Away

Inflation, meanwhile, remains stubbornly entrenched in the economy. The GNP fixed-weight price index soared in the first quarter at a 6.5 percent annual rate — the highest since the fourth quarter of 1981. Most analysts expect the Federal Reserve to hold firm on its present course in an effort to contain inflation within its present bounds. Without the extraordinary influences of weather and a beginning-year federal pay hike, prices still rose 5.2 percent over the quarter. Encouragingly, wholesale prices fell in March for the first time in seven months propelled by lower food and energy costs. Prices at the consumer level should scale back significantly in the current quarter.

Industry Finally Rallies

Manufacturing at long last may be staging a rebound nationally. Orders for durable goods — items intended to last at least three years — leaped 6.7 percent in March representing the biggest boost in over a year. This followed a smaller but significant 2.3 percent increase in February. Taken together, however, the two months did not make up for the 10.5 percent plunge in January. But the March data suggest that the long industrial slide may have finally bottomed out. Much of the movement over the month centered in the volatile transportation equipment sector, both aircraft and automobiles. Nonetheless, even excluding these items March orders showed a 2 percent hike with February holding flat.

Gauge For The Future Points Positive

Looking to the future, the government's key barometer of economic strength is signaling continued mild growth. The Commerce Department's index of leading indicators climbed 0.9 percent in March — the biggest single month advance since June 1988. Economists generally credit the report with allaying fears of recession but cautioned against reading signs of bullish strength. More of the same was the best reading. Most of the March increase came in two areas: plant equipment orders and raw material prices. Holding back the index were declines in building permits, factory backlogs, and the nation's money supply.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

U.S. City Average	Indexes			% Change From	
	Mar 90	Feb 90	Mar 89	Feb 90	Mar 89
	128.7	128.0	122.3	0.5%	5.2%
Seattle†	Jul-Dec 1989	Jul-Dec 1988		Jul-Dec 1988	
	119.6	113.8		5.1%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	Mar 1990 (Prel)	Feb 1990 (Rev)	Mar 1989 (Rev)	Feb 1989 (Rev)	Numeric Change	
					Feb 1990 to Mar 1990	Mar 1989 to Mar 1990
TOTAL NONAG. WAGE AND SALARY . .	2,096.7	2,073.3	1,987.1	1,959.7	23.4	109.6
MANUFACTURING	363.0	361.4	349.2	345.1	1.6	13.8
Durable Goods	260.8	260.2	250.5	247.2	0.6	10.3
Lumber & Wood Products	40.4	39.9	39.6	39.3	0.5	0.8
Furniture & Fixtures	4.2	4.1	4.0	3.9	0.1	0.2
Stone, Clay & Glass	7.7	7.3	7.0	6.6	0.4	0.7
Primary Metals	12.8	12.7	13.1	13.0	0.1	-0.3
Aluminum	8.8	8.7	8.8	8.8	0.1	0.0
Fabricated Metals	11.8	11.9	11.2	11.0	-0.1	0.6
Industrial Machinery & Equipment	19.3	19.4	18.6	18.3	-0.1	0.7
Electronic & Other Elec. Equipment	11.9	11.9	11.4	11.4	0.0	0.5
Transportation Equipment	131.6	132.0	125.0	123.2	-0.4	6.6
Aircraft and Parts	115.0	115.5	109.9	108.3	-0.5	5.1
Instruments & Related	15.0	15.0	14.8	14.8	0.0	0.2
Miscellaneous Manufacturing	6.1	6.0	5.8	5.7	0.1	0.3
Nondurable Goods	102.2	101.2	98.7	97.9	1.0	3.5
Food & Kindred Products	33.3	32.6	32.1	31.8	0.7	1.2
Preserved Fruits & Vegetables	10.3	10.0	10.3	10.4	0.3	0.0
Textiles, Apparel, & Leather	7.6	7.5	7.5	7.4	0.1	0.1
Paper & Allied Products	18.4	18.3	17.6	17.5	0.1	0.8
Printing & Publishing	22.1	22.0	21.5	21.3	0.1	0.6
Chemicals & Allied Products	12.8	12.8	12.0	12.0	0.0	0.8
Petroleum, Coal, Plastics	8.0	8.0	8.0	7.9	0.0	0.0
MINING & QUARRYING	3.7	3.7	3.4	3.2	0.0	0.3
CONSTRUCTION	109.4	103.3	96.4	90.6	6.1	13.0
TRANSP., COMM., & UTILITIES	109.7	109.7	103.6	102.2	0.0	6.1
WHOLESALE & RETAIL TRADE	507.9	502.7	481.1	476.5	5.2	26.8
Wholesale Trade	128.1	126.8	119.2	117.9	1.3	8.9
Retail Trade	379.8	375.9	361.9	358.6	3.9	17.9
General Merchandise	38.1	38.6	36.1	36.4	-0.5	2.0
Food Stores	64.9	64.2	60.5	59.7	0.7	4.4
Eating & Drinking	135.0	132.8	130.3	128.8	2.2	4.7
FINANCE, INS., & REAL ESTATE	115.6	114.8	109.5	108.9	0.8	6.1
Finance	53.0	52.7	50.3	50.3	0.3	2.7
SERVICES	491.8	485.1	461.9	453.7	6.7	29.9
Hotels & Lodging	24.9	24.1	22.4	21.8	0.8	2.5
Business Services	80.2	78.5	73.1	71.0	1.7	7.1
Health Services	146.8	145.7	138.9	137.9	1.1	7.9
Hospitals	48.5	48.1	45.7	45.5	0.4	2.8
GOVERNMENT	395.6	392.6	382.0	379.5	3.0	13.6
Federal	72.2	71.2	71.3	71.1	1.0	0.9
State	116.5	115.8	112.5	112.1	0.7	4.0
Local	206.9	205.6	198.2	196.3	1.3	8.7
State Education	62.6	62.1	61.1	60.6	0.5	1.5
Local Education	111.5	111.0	108.8	107.6	0.5	2.7
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 5/2/90
Benchmark: 1989

Not Seasonally Adjusted

	March 1990 Preliminary†				February 1990 Revised†				March 1989 Revised†			
	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate
Washington State	2,545,600	2,401,800	143,800	5.6	2,538,200	2,372,900	165,300	6.5	2,402,800	2,243,500	159,300	6.6
Bellingham MSA	68,400	64,400	4,000	5.8	67,400	62,900	4,500	6.7	63,400	58,700	4,700	7.4
Bremerton MSA	82,100	78,300	3,800	4.6	81,400	77,400	4,000	4.9	78,000	73,600	4,400	5.6
Olympia MSA	85,700	81,100	4,600	5.4	85,700	80,000	5,700	6.7	79,100	73,900	5,200	6.6
Seattle PMSA	1,156,700	1,112,000	44,700	3.9	1,152,400	1,103,900	48,500	4.2	1,083,800	1,032,600	51,200	4.7
King County‡	914,600	880,500	34,100	3.7	910,100	874,100	36,000	4.0	855,000	815,900	39,100	4.6
Snohomish County‡	242,000	231,500	10,500	4.3	242,300	229,800	12,500	5.2	228,900	216,800	12,100	5.3
Spokane MSA	175,400	164,500	10,900	6.2	175,200	162,700	12,500	7.1	169,800	158,400	11,400	6.7
Tacoma PMSA	264,100	250,200	13,900	5.3	262,500	247,200	15,300	5.8	251,300	234,300	17,000	6.8
Tri-Cities MSA	71,200	65,600	5,600	7.9	70,800	64,000	6,800	9.6	67,900	61,600	6,300	9.3
Benton County‡	54,200	50,700	3,500	6.5	53,700	49,400	4,300	8.0	52,400	48,200	4,200	8.0
Franklin County‡	17,000	14,900	2,100	12.4	17,100	14,600	2,500	14.6	15,500	13,400	2,100	13.5
Vancouver PMSA	129,700	122,600	7,100	5.5	129,100	120,700	8,400	6.5	119,200	112,000	7,200	6.0
Yakima MSA	97,700	84,800	12,900	13.2	98,000	83,200	14,800	15.1	93,500	80,300	13,200	14.1
Adams	6,490	5,770	720	11.1	6,510	5,540	970	14.9	6,350	5,610	740	11.7
Asotin	10,290	9,800	490	4.8	10,210	9,680	530	5.2	8,950	8,430	520	5.8
Clallam	23,940	22,010	1,930	8.1	24,090	21,350	2,740	11.4	23,360	21,160	2,200	9.4
Columbia	1,880	1,580	300	16.0	1,810	1,490	320	17.7	1,800	1,400	400	22.2
Cowlitz	39,140	36,210	2,930	7.5	39,700	35,740	3,960	10.0	37,400	34,280	3,120	8.3
Ferry	3,480	2,970	510	14.7	3,400	2,960	440	12.9	3,090	2,630	460	14.9
Garfield	1,040	990	50	4.8	1,090	1,010	80	7.3	1,050	980	70	6.7
Grant	25,610	22,900	2,710	10.6	24,970	21,560	3,410	13.7	24,900	22,310	2,590	10.4
Grays Harbor	28,760	25,910	2,850	9.9	29,800	25,930	3,870	13.0	26,710	23,900	2,810	10.5
Island	22,360	21,330	1,030	4.6	22,170	21,090	1,080	4.9	20,330	19,410	920	4.5
Jefferson	8,780	8,290	490	5.6	8,670	8,020	650	7.5	8,190	7,680	510	6.2
Kittitas	12,710	11,470	1,240	9.8	12,720	11,420	1,300	10.2	12,580	11,160	1,420	11.3
Klickitat	8,410	6,970	1,440	17.1	8,480	6,920	1,560	18.4	7,950	6,420	1,530	19.2
Lewis	27,450	25,110	2,340	8.5	28,530	24,700	3,830	13.4	25,060	22,580	2,480	9.9
Lincoln	4,250	4,010	240	5.6	4,340	4,070	270	6.2	4,220	3,970	250	5.9
Mason	14,200	13,170	1,030	7.3	14,190	12,880	1,310	9.2	13,590	12,500	1,090	8.0
Okanogan	16,490	14,100	2,390	14.5	16,260	13,750	2,510	15.4	16,820	14,190	2,630	15.6
Pacific	7,960	7,240	720	9.0	7,900	6,860	1,040	13.2	7,090	6,470	620	8.7
Pend Oreille	3,400	2,840	560	16.5	3,440	2,820	620	18.0	5,200	4,700	500	9.6
San Juan	5,630	5,420	210	3.7	5,350	5,080	270	5.0	5,190	4,900	290	5.6
Skagit	39,750	36,650	3,100	7.8	39,050	35,110	3,940	10.1	36,860	33,530	3,330	9.0
Skamania	2,460	1,930	530	21.5	2,530	1,820	710	28.1	2,450	1,800	650	26.5
Stevens	12,700	11,110	1,590	12.5	12,510	11,080	1,430	11.4	12,370	10,840	1,530	12.4
Wahkiakum	1,360	1,240	120	8.8	1,470	1,210	260	17.7	1,260	1,180	80	6.3
Walla Walla	25,000	22,780	2,220	8.9	25,190	22,700	2,490	9.9	24,120	21,630	2,470	10.2
Wenatchee Labor Area	40,470	36,360	4,110	10.2	40,880	36,180	4,700	11.5	40,290	35,390	4,900	12.2
Chelan County‡	27,290	24,350	2,940	10.8	27,410	24,230	3,180	11.6	27,090	23,460	3,630	13.4
Douglas County‡	13,180	12,010	1,170	8.9	13,470	11,950	1,520	11.3	13,200	11,930	1,270	9.6
Whitman	20,620	20,180	440	2.1	20,580	20,050	530	2.6	19,610	19,070	540	2.8



MARCH 1990 STATEWIDE UNEMPLOYMENT RATE = 5.6%

Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary March Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Mar 90	Feb 90	Mar 89	Mar 90	Feb 90	Mar 89	Mar 90	Feb 90	Mar 89
TOTAL MANUFACTURING INDUSTRIES¹	214,468	\$512.08	\$506.79	\$506.35	40.1	39.5	41.0	\$12.77	\$12.83	\$12.35
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,373	\$441.07	\$420.58	\$435.84	39.7	38.2	39.3	\$11.11	\$11.01	\$11.09
Primary Metal Industries	10,337	\$561.56	\$554.67	\$539.57	42.9	42.7	43.2	\$13.09	\$12.99	\$12.49
Fabricated Metal Products	9,443	\$489.94	\$480.00	\$496.39	39.8	40.0	41.4	\$12.31	\$12.00	\$11.99
Machinery	19,973	\$405.12	\$410.11	\$381.81	38.4	38.4	39.2	\$10.55	\$10.68	\$9.74
Food and Kindred Products	23,358	\$370.26	\$360.55	\$353.69	37.4	36.2	36.5	\$9.90	\$9.96	\$9.69
Chemical and Allied Products	4,566	\$642.18	\$660.73	\$633.66	42.0	42.3	41.2	\$15.29	\$15.62	\$15.38
Transportation Equipment	61,716	\$649.65	\$646.34	\$649.25	42.6	42.3	44.9	\$15.25	\$15.28	\$14.46
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	80,688	\$619.86	\$585.04	\$621.15	36.7	34.7	37.6	\$16.89	\$16.86	\$16.52
Wholesale and Retail Trade (Includes eating and drinking establishments)	447,847	\$274.52	\$268.49	\$260.75	30.3	29.7	29.8	\$9.06	\$9.04	\$8.75

¹Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
Employment Security
Labor Market and
Economic Analysis Branch
212 Maple Park
Mail Stop KG-11
Olympia, WA 98504-5311

OFFICIAL BUSINESS

Penalty For Private Use \$300

WLM

☐ If you no longer wish to receive this publication, please check here
and return this cover to the above address.

If your address has changed, please indicate new address below and
return this cover to the above address.

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HWY
BETHESDA MD 20814



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

May 1990

Highlights

April's No Fool

Washington's economy proceeded to build in April. Employment advanced seasonally and unemployment dropped to levels not seen since the Boeing boom of the late-1960s. Statewide joblessness fell over month from 5.8 percent to 5.2 percent of the workforce representing the tightest labor market of any month in 20 years. As employment has progressively heightened, pressure on the labor force has mounted. Unemployment has been halved since 1982 and Seattle-Everett has achieved what technically must be considered a full employment economy with joblessness running less than 4 percent. Strength is proceeding throughout much of the economic base as it proceeds into a record eighth consecutive year of expansion. The latest unemployment rate contrasted with a level of 6.2 percent a year ago and

effectively merged with the national average, likewise measuring 5.2 percent for the month.

When will it end? At this stage of the business cycle, projecting turning points can be hazardous to one's health. But without question the national economy has slowed. Growth is continuing but at a much more restrained pace. Through the first quarter, unusually mild weather played havoc with Washington's normal seasonal pattern boosting activity inordinately throughout much of the resource-based industries. By April, that pattern had largely dissipated. As a result, growth of nonfarm employment in the latest month eased markedly on a seasonally adjusted basis giving a hint that Washington's economy, with appropriate lag, has probably now shifted to a lower gear.

It is expected that the state economy will proceed to build over the balance of 1990. Substantial carryover of growth from prior years exists. Regional and export markets remain strong. Construction continues to boom along. And the temporary impacts from the federal census and the Goodwill Games should add to the spending stream. The primary goods-producing sectors, for the most part, are holding their own. The only drag on employment currently centers in aircraft manufacturing and forest products — both showing some degree of adjustment from highs in 1989.

Resident Civilian Labor Force Employment and Unemployment in Washington State

	Apr 1990 <i>Preliminary</i>	Mar 1990 <i>Revised</i>	Apr 1989
Resident Civilian Labor Force	2,538,300	2,548,400	2,433,900
Employment	2,405,100	2,401,800	2,283,900
Unemployment	133,200	146,600	150,000
Unemployment Rate	5.2%	5.8%	6.2%
National Unemployment Rate	5.2%	5.4%	5.1%

Data in this table are not seasonally adjusted.

Sources: Employment Security Department; U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's employment picture in April depicted fairly typical seasonal upturn throughout much of the economy. Nonfarm payrolls expanded over the month by a fairly respectable but somewhat less than normal 22,300 in April. If the temporary census hires are removed, the pace of the real economy dropped to 18,700—the lowest for the month since 1984. Even more significantly, manufacturing levelled off and actually fell on a seasonally adjusted basis. The swing was led by somewhat larger layoffs in aircraft fabrication and the lack of normal springtime buildup in the lumber and wood products industry.

Warmer weather and the beginning of the asparagus harvest figured importantly in providing some measure of offset. Food processing mounted typically, and construction climbed to an all-time high for the month. Beginning of the tourist season drove up payrolls at hotels and eating and drinking establishments. And, further buildup for the 1990 Census added several thousand temporary workers in government. The net result boosted nonfarm employment in the aggregate, largely through higher activity in nonmanufacturing.

Manufacturing: A Study Of Offsets

On balance, Washington's manufacturing sector showed basically no change over the month. Running counter, however, was a big jump in food processing. The first crop of the farm season, asparagus, essentially worked its way through the processing activities pushing up food manufacturing in April by 2,900 jobs. Smaller increments of 100 each were recorded in primary metals, electronic equipment, and chemicals. The latter reflects further environmental maintenance jobs at Hanford which have driven up workers levels at that complex by 1,000 over the past 12 months. Another 1,000 are expected by year-end.

On the flip side, aircraft manufacturing pulled back by another 900 in April. Transportation equipment manufacturing employment peaked in December of last year. Since then, employment has fallen by 3,500, of which 2,200 has been centered in aircraft production. It appears from this vantage point that the pull-back in

aircraft jobs is a bit ahead of the projected schedule announced by The Boeing Company earlier this year.

The remaining difference falls within boatbuilding, ship repair, and heavy truck manufacturing. Vacillations within these industries are commonplace given the project-to-project nature of the work. Strong capital investment in plant and equipment over recent years has been a boon to area manufacturers. But higher interest rates of late have impacted big-ticket consumer goods which undoubtedly translates to some degree into lower pleasure boat sales.

Meanwhile, forest products manufacturing in April failed to post even a seasonal upturn. At this juncture, it is still uncertain what plans the U.S. Fish and Wildlife Service will propose with regard to the Spotted Owl. Nevertheless, anticipation of these plans has resulted in some unusual, though not unexpected, action. Over the past several months, lumber and wood products activity accelerated to compensate for possible loss of harvest on public lands. Realistically, this could not continue for any length of time. Pressures have mounted to slow private harvest. Rather than increasing typically by 1,000 in April, lumber and wood products inched up by 100 and logging fell off.

Nonmanufacturing To The Fore

Nonmanufacturing employment heightened by 21,400 workers in the latest month. Warmer weather contributed to heightened levels of activity in construction (+ 3,900), trade (+ 7,700), and services (+ 4,500). Higher levels of building spilled over into lumber and hardware wholesalers. Expanded farm-to-market activity pulled up demand among wholesale produce operations. And tourism-related impacts stood out most noticeably at area hotels and eating and drinking establishments.

Construction mounted in April to 113,000 — the highest for the month on record. While housing and special trade contracting held relatively firm, most of the increase from March to April focused on nonresidential and heavy construction. It appears that the surge in real estate peaked in either late winter or early spring.

Houses in the Seattle area are staying on the market a bit longer and financial institutions are assessing credit availability more stringently in view of the national savings and loan debacle. Payrolls in the finance industry actually fell by 100 in April and the increase of 300 recorded in insurance and real estate was less than half that for the month in recent years.

Government Responds To The Extraordinary

Further buildup for the 1990 Census added 3,600 workers in the government sector. Another round of hiring in May should bring the total count briefly to a high of 7,000 by the end of June. Timing is providing near perfect offset for losses in aerospace. However, the short-term nature of the work and the payroll differences certainly do not constitute anything close to a fit.

Extraordinary population growth in recent years is putting heavy pressure on local government administration. Statewide population has jumped 330,000 over the past five years. Much of that increase centers in the greater Central Puget Sound area with better than half of the total taken up in the two counties of King and Snohomish. New incorporations and growth management have become central issues. In response, local government employment aside from education jumped 1,400 in April and 7,400 over the past 12 months.

MEASURING EMPLOYMENT SUPPLY AND DEMAND

The Current Employment Statistics provided each month give a comprehensive reading of employment levels by industry and area. Incorporated in those numbers is an assumed measure of demand for workers both over the month and over the year. Regional economists, for the most part, hang much of their analysis regarding the structure and performance of the state and area economies on these data. In effect, the demand for workers is looked upon as a proxy for the demand for goods and services.

Economic theory holds that demand generates supply. In the case of labor, high employment growth typically pulls workers from within through a combination of

higher participation rates and lower average unemployment. Net in-migration adds to the total. All these factors have been working in Washington over the past eight years.

National and state demographics, with declining numbers of entry-level youth to 1995, has raised the specter of potentially serious worker shortages in the near future. Already there are anecdotal indications of selective supply constraints. How much? Measurement of supply/demand shortfall is difficult at best.

One barometer worth watching, however, is the relationship between help-wanted advertising as a measure of demand and labor force/unemployment as an indicator of supply. As can be seen from the accompanying graph using data from the Seattle Times, there has been near perfect inverse relationship between the two measures in recent years. If the want ad index continues to climb steeply at a time when the labor force/unemployment shows no change, one might suspect that differences in the slopes of the lines would then mark some degree rigidity in the labor market.



Sources: Seattle Times; Employment Security Department

*Year-Over-Year
Holds Strong*

Washington's economy over the past 12 months has added 108,400 workers to the state's labor rolls. The 5.4 percent rate of growth from April-to-April tops the 5.2 percent average for all of 1989 and tracks more than double the 2.2 percent national pace over the same time period. Approximately half of the increase has come in trade (+ 27,400) and services (+ 29,100). Meanwhile, construction (+ 12,100) has mounted by 12 percent to essentially lead the economy. Government, bolstered by the 1990 Census and general population expansion, tallied 19,400 higher measured April-to-April.

Against the shortfall nationally, Washington's manufacturing sector still shows a respectable year-to-year margin of 9,800 or 2.8 percent. The difference narrowed substantially in April owing to further pullback in aircraft manufacturing together with the lack of any seasonal buildup in lumber and wood products. However, a spread of 1,800 was posted in food processing, 1,000 in chemicals, and 1,200 in machinery, electronics, and instruments. Transportation equipment still held 3,900 workers above April 1989.

AREA TRENDS

Spring Sets In

Each labor market in the state showed an improving trend in April. Seasonal heightening was most obvious in the agricultural economies of eastern Washington where average unemployment dropped over the month from 9.3 percent to 7.8 percent of the workforce. Standouts included Grant County (10.2 percent dropped to 8.6 percent), Yakima (13.5 percent to 11.3 percent), and Walla Walla (9.1 percent to 5.8 percent). Further seasonal swings can logically be expected in these areas over the next several months.

Urban vs. Rural

Western Washington, meanwhile, was a study in contrasts. The metropolitan areas generally posted unemployment rates in April either equal to or lower than the statewide average. Seattle-Everett stood at 3.8 per-

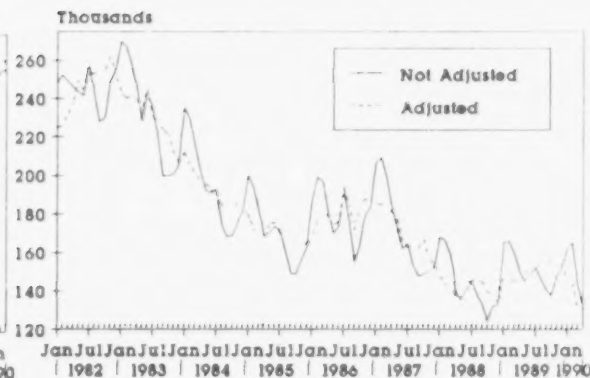
cent; Tacoma, 5.0 percent; and both Olympia and Vancouver held at 5.2 percent. Logging areas, on the other hand, averaged 8.4 percent in April. Highs and lows ranged from 5.0 percent in Jefferson County to 18.1 percent in Skamania County.

State Total Resident Employment
January 1982-April 1990



Source: Employment Security Department

State Total Resident Unemployment
January 1982-April 1990



Source: Employment Security Department

INDUSTRY NOTES

Boeing Chalks Up More

The Boeing Company continues to rack up sales and add to its already phenomenal cache of orders. At the end of April, the aerospace giant held orders for 1,710 airplanes worth \$90 billion — the biggest backlog in commercial aircraft history. The most recent order was for seven of its popular 737s from Intercredit, an Atlanta-based leasing company. Since the introduction of the 737 in 1963, Boeing has sold a record 2,800 of the aircraft to airlines throughout the western world.

United, Delta, and American Airlines are all negotiating with Boeing for the possible purchase of the new-generation 777. This aircraft is designed to compete with the McDonnell Douglas MD-11 and the Airbus A330. The wide-bodied jet would seat 10 across with

350 to 375 passenger capacity, a range of 5,300 miles, and cost in the range of \$100 million.

PACCAR: Rolling 'em out

Last year was a good one for PACCAR. The Seattle-based manufacturer sold 44,000 heavy trucks through its Kenworth and Peterbilt subsidiaries. This volume represented 24 percent of the total U.S. market, 18 percent of the Canadian, and 55 percent of the Mexican market for heavy duty trucks.

But everything is not coming up roses for the truck maker. The cost of doing business and long distances from suppliers in the Midwest have forced PACCAR management to rethink plans for building a new assembly plant in Renton.

The Oil Connection

Commencement Bay and Prudhoe Bay have had strong ties since 1975. The first oilfield modules were built by Wright Schuchart at the Port of Tacoma site fifteen years ago. Since that time, over 390 modules have been constructed for ARCO and British Petroleum. Currently, two additional modules are underway for completion by July, then four weeks by barge to Alaska.

Back To The Mines

Resource Finance Corporation has agreed to buy the Pend Oreille lead and zinc mine in Pend Oreille County for \$1.2 million. The mine has been shut down for more than a decade. Ore reserves are estimated at 6.2 million tons which would allow nine-years of operations. At full production in 1993, the mine will employ 165 workers with output running 2,400 tons a day. Development costs will probably exceed \$34 million. RFC's decision came just two weeks after Equinox Resources announced plans to also reopen its Van Stone lead-zinc mine in nearby Stevens County after an equally long closure.

NATIONAL INDICATORS

Future Looks Like More Of The Same

The government's index of leading indicators designed to forecast economic activity six to nine months hence slipped 0.2 percentage points in April. This was the second loss in four months and another indication that the nation's sluggish growth is likely to continue. The decline was not unexpected, given the falloff in building permits coming out of high interest rates and tighter credit restrictions. Decreases were also recorded in the average work week, orders for consumer goods, and manufacturers' unfilled orders. The overall index measured 144.9 percent of the 1982 base, down 0.6 percent from a year ago.

Industrial Production Dips

As a sign of continuing weakness in manufacturing, the nation's industrial production index fell 0.4 percent in April. The drop centered in autos and light trucks. Output at factories producing durable goods was off a full 1.0 percent over the month; nondurable output slipped a lesser 0.1 percent. Operating rates of the nation's factories, mines, and utilities averaged 83.0 percent in April, down 0.5 percentage points from March.

Inflation Is The Prime Beneficiary

All this is keeping inflation under wraps, however. The Labor Department's Producer Price Index dropped for the second consecutive month in April. The measure fell a seasonally adjusted 0.3 percent over the month — the steepest decline since August. Lower vegetable costs were the major contributing factors. Through the first four months of this year, inflation at the wholesale level was running at a 4.2 percent annual rate, down from 4.8 percent for all of 1989.

Keeping Recession At Bay

Despite the economy's sluggishness, the latest survey of the National Association of Business Economists showed 80 percent of the professional forecasters foresee no recession through 1991. Gross national product, the value of all goods and services produced, is expected to increase 2.0 percent this year and 2.4 per-

cent in 1991 following 3.0 percent on average in 1989. Inflation should track modestly below last year at 4.7 percent. The Federal Reserve is seen holding a steady course, keeping interest rates relatively unchanged.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
	Apr 90	Mar 90	Apr 89	Mar 90	Apr 89
U.S. City Average	128.9	128.7	123.1	0.2%	4.7%
Seattle†	Jul-Dec 1989	Jul-Dec 1988		Jul-Dec 1988	
	119.6	113.8		5.1%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	Apr 1990 (Prel)	Mar 1990 (Rev)	Apr 1989 (Rev)	Mar 1989 (Rev)	Numeric Change	
					Mar 1990 to Apr 1990	Apr 1989 to Apr 1990
TOTAL NONAG. WAGE AND SALARY . . .	2,119.2	2,090.9	2,010.8	1,987.1	22.3	108.4
MANUFACTURING	363.4	362.5	353.6	349.2	0.9	9.8
Durable Goods	259.0	260.6	252.5	250.5	-1.6	6.5
Lumber & Wood Products	40.5	40.4	40.3	39.6	0.1	0.2
Furniture & Fixtures	4.2	4.2	3.9	4.0	0.0	0.3
Stone, Clay & Glass	7.6	7.7	7.3	7.0	-0.1	0.3
Primary Metals	12.9	12.8	13.1	13.1	0.1	-0.2
Aluminum	8.8	8.8	8.9	8.8	0.0	-0.1
Fabricated Metals	11.9	11.9	11.2	11.2	0.0	0.7
Industrial Machinery & Equipment	19.3	19.3	18.7	18.6	0.0	0.6
Electronic & Other Electrical Equip	12.0	11.9	11.5	11.4	0.1	0.5
Transportation Equipment	129.8	131.5	125.9	125.0	-1.7	3.9
Aircraft and Parts	114.1	115.0	110.8	109.9	-0.9	3.3
Instruments & Related	14.9	14.9	14.8	14.8	0.0	0.1
Miscellaneous Manufacturing	5.9	6.0	5.8	5.8	-0.1	0.1
Nondurable Goods	104.4	101.9	101.1	98.7	2.5	3.3
Food & Kindred Products	35.9	33.0	34.1	32.1	2.9	1.8
Preserved Fruits & Vegetables	12.7	10.1	12.0	10.3	2.6	0.7
Textiles, Apparel, & Leather	7.4	7.6	7.6	7.5	-0.2	-0.2
Paper & Allied Products	18.3	18.4	18.0	17.6	-0.1	0.3
Printing & Publishing	21.9	22.1	21.4	21.5	-0.2	0.5
Chemicals & Allied Products	12.9	12.8	11.9	12.0	0.1	1.0
Petroleum, Coal, Plastics	8.0	8.0	8.1	8.0	0.0	-0.1
MINING & QUARRYING	3.7	3.7	3.5	3.4	0.0	0.2
CONSTRUCTION	113.0	109.1	100.9	96.4	3.9	12.1
TRANSP., COMM., & UTILITIES	110.1	109.8	105.3	103.6	0.3	4.8
WHOLESALE & RETAIL TRADE	516.3	508.6	488.9	481.1	7.7	27.4
Wholesale Trade	130.0	128.4	121.3	119.2	1.6	8.7
Retail Trade	386.3	380.2	367.6	361.9	6.1	18.7
General Merchandise	37.7	38.1	36.0	36.1	-0.4	1.7
Food Stores	65.8	64.7	61.4	60.5	1.1	4.4
Eating & Drinking	139.4	135.4	133.8	130.3	4.0	5.6
FINANCE, INS., & REAL ESTATE	115.8	115.6	110.2	109.5	0.2	5.6
Finance	52.8	52.9	50.3	50.3	-0.1	2.5
SERVICES	496.6	492.1	467.5	461.9	4.5	29.1
Hotels & Lodging	26.0	24.8	23.6	22.4	1.2	2.4
Business Services	81.3	80.3	74.6	73.1	1.0	6.7
Health Services	147.3	146.9	138.8	138.9	0.4	8.5
Hospitals	48.6	48.5	45.7	45.7	0.1	2.9
GOVERNMENT	400.3	395.5	380.9	382.0	4.8	19.4
Federal	75.7	72.1	71.5	71.3	3.6	4.2
State	116.3	116.5	111.3	112.5	-0.2	5.0
Local	208.3	206.9	198.1	198.2	1.4	10.2
State Education	62.1	62.6	59.3	61.1	-0.5	2.8
Local Education	111.7	111.6	108.9	108.8	0.1	2.8
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 5/30/90
Benchmark: 1989

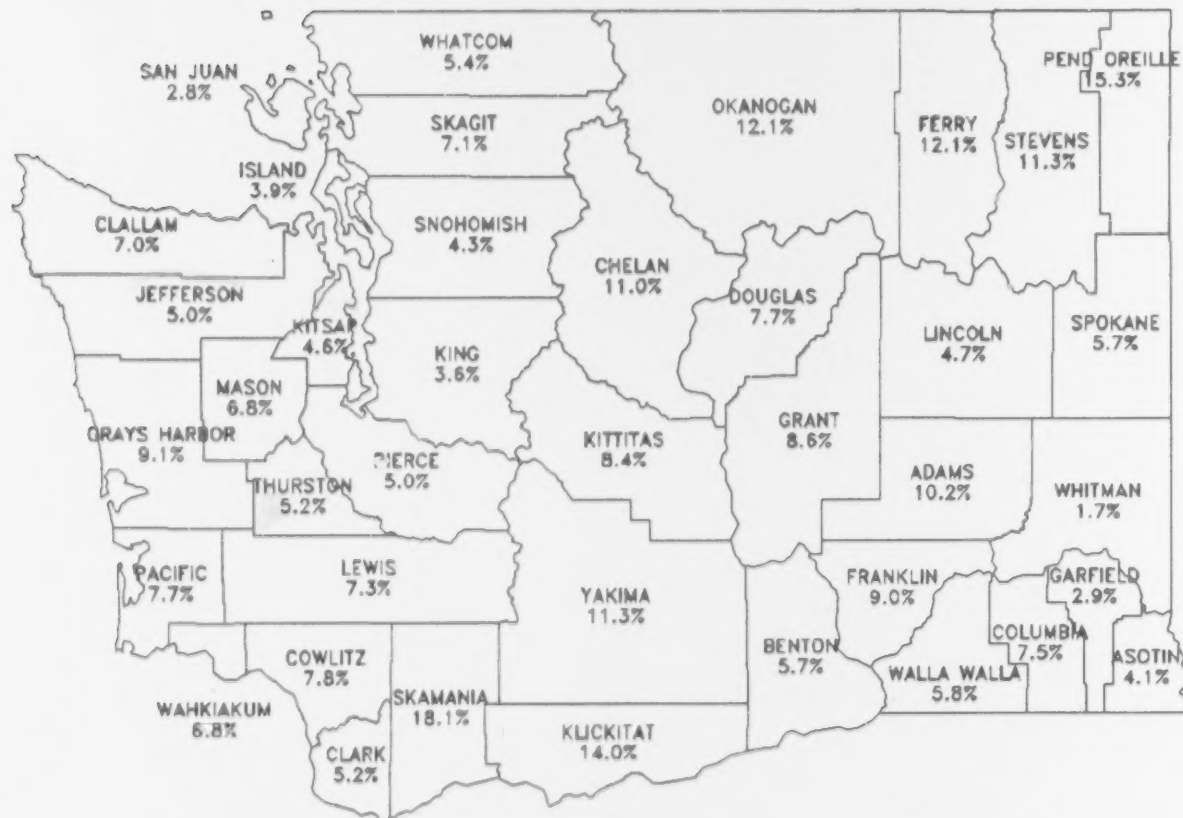
Not Seasonally Adjusted

	April 1990 Preliminary†				March 1990 Revised†				April 1989 Revised†			
	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate	Labor Force	Employ- ment	Unemploy- ment	Unemploy- ment Rate
Washington State Total	2,538,300	2,405,100	133,200	5.2	2,548,400	2,401,800	146,600	5.8	2,433,900	2,283,900	150,000	6.2
Bellingham MSA	68,700	65,000	3,700	5.4	68,300	64,200	4,100	6.0	64,500	60,300	4,200	6.5
Bremerton MSA	82,000	78,200	3,800	4.6	82,300	78,400	3,900	4.7	78,900	74,600	4,300	5.4
Olympia MSA	84,000	79,600	4,400	5.2	85,100	80,400	4,700	5.5	79,500	74,700	4,800	6.0
Seattle PMSA	1,147,800	1,104,500	43,300	3.8	1,156,600	1,111,300	45,300	3.9	1,094,500	1,043,900	50,600	4.6
King County‡	905,600	872,600	33,000	3.6	912,500	878,000	34,500	3.8	863,700	824,800	38,900	4.5
Snohomish County‡	242,100	231,800	10,300	4.3	244,100	233,300	10,800	4.4	230,700	219,100	11,600	5.0
Spokane MSA	173,900	164,000	9,900	5.7	176,000	164,800	11,200	6.4	171,600	161,100	10,500	6.1
Tacoma PMSA	261,600	248,400	13,200	5.0	266,000	251,800	14,200	5.3	252,500	236,200	16,300	6.5
Tri-Cities MSA	74,500	69,700	4,800	6.4	71,600	65,700	5,900	8.2	72,200	65,900	6,300	8.7
Benton County‡	57,900	54,600	3,300	5.7	55,100	51,500	3,600	6.5	55,700	51,600	4,100	7.4
Franklin County‡	16,600	15,100	1,500	9.0	16,600	14,300	2,300	13.9	16,500	14,300	2,200	13.3
Vancouver PMSA	128,300	121,600	6,700	5.2	129,400	122,300	7,100	5.5	120,600	113,900	6,700	5.6
Yakima MSA	101,500	90,000	11,500	11.3	97,700	84,500	13,200	13.5	99,300	87,200	12,100	12.2
Adams	6,830	6,130	700	10.2	6,710	5,780	930	13.9	6,580	5,920	660	10.0
Asotin	10,340	9,920	420	4.1	10,310	9,810	500	4.8	9,270	8,830	440	4.7
Clallam	24,260	22,550	1,710	7.0	24,040	22,050	1,990	8.3	23,970	22,050	1,920	8.0
Columbia	3,080	2,850	230	7.5	1,910	1,580	330	17.3	2,370	2,110	260	11.0
Cowlitz	39,160	36,120	3,040	7.8	39,550	36,430	3,120	7.9	37,560	34,620	2,940	7.8
Ferry	3,400	2,990	410	12.1	3,460	2,960	500	14.5	3,180	2,730	450	14.2
Garfield	1,030	1,000	30	2.9	1,040	990	50	4.8	1,050	1,000	50	4.8
Grant	26,360	24,100	2,260	8.6	25,550	22,940	2,610	10.2	26,150	23,410	2,740	10.5
Grays Harbor	28,270	25,690	2,580	9.1	28,960	26,070	2,890	10.0	27,000	24,480	2,520	9.3
Island	22,220	21,360	860	3.9	22,290	21,320	970	4.4	20,710	19,860	850	4.1
Jefferson	8,970	8,520	450	5.0	8,810	8,310	500	5.7	8,430	7,980	450	5.3
Kittitas	12,350	11,310	1,040	8.4	12,810	11,540	1,270	9.9	12,210	10,890	1,320	10.8
Klickitat	8,450	7,270	1,180	14.0	8,400	6,920	1,480	17.6	7,970	6,780	1,190	14.9
Lewis	26,910	24,940	1,970	7.3	27,400	25,020	2,380	8.7	25,530	23,370	2,160	8.5
Lincoln	4,290	4,090	200	4.7	4,270	4,020	250	5.9	4,310	4,120	190	4.4
Mason	14,060	13,100	960	6.8	14,220	13,160	1,060	7.5	13,380	12,390	990	7.4
Okanogan	16,500	14,510	1,990	12.1	16,450	14,040	2,410	14.7	16,280	14,130	2,150	13.2
Pacific	7,890	7,280	610	7.7	8,000	7,250	750	9.4	7,330	6,740	590	8.0
Pend Oreille	3,330	2,820	510	15.3	3,440	2,850	590	17.2	5,530	5,060	470	8.5
San Juan	5,800	5,640	160	2.8	5,450	5,440	210	3.7	5,440	5,210	230	4.2
Skagit	39,900	37,080	2,820	7.1	39,870	36,680	3,190	8.0	36,360	33,380	2,980	8.2
Skamania	2,270	1,860	410	18.1	2,360	1,850	510	21.6	2,340	1,880	460	19.7
Stevens	12,500	11,090	1,410	11.3	12,500	10,850	1,650	13.2	12,240	10,830	1,410	11.5
Wahkiakum	1,320	1,230	90	6.8	1,370	1,250	120	8.8	1,260	1,190	70	5.6
Walla Walla	25,500	24,010	1,490	5.8	25,100	22,820	2,280	9.1	24,960	22,830	2,130	8.5
Wenatchee Labor Area	40,820	36,790	4,030	9.9	40,460	36,220	4,240	10.5	39,390	35,260	4,130	10.5
Chelan County‡	27,400	24,390	3,010	11.0	27,040	24,010	3,030	11.2	26,430	23,380	3,050	11.5
Douglas County‡	13,430	12,400	1,030	7.7	13,410	12,210	1,200	8.9	12,960	11,890	1,070	8.4
Whitman	20,400	20,050	350	1.7	20,590	20,150	440	2.1	19,510	19,060	450	2.3

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

APRIL 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 5.2%



Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary April Production Workers & Nonsupervisory Workers	<u>Average Weekly Earnings</u>			<u>Average Weekly Hours</u>			<u>Average Hourly Earnings</u>		
		<u>Apr 90</u>	<u>Mar 90</u>	<u>Apr 89</u>	<u>Apr 90</u>	<u>Mar 90</u>	<u>Apr 89</u>	<u>Apr 90</u>	<u>Mar 90</u>	<u>Apr 89</u>
TOTAL MANUFACTURING INDUSTRIES¹	216,300	\$514.96	\$514.23	\$503.46	40.2	40.3	40.7	\$12.81	\$12.76	\$12.37
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,470	\$477.57	\$445.91	\$452.33	42.3	40.1	40.1	\$11.29	\$11.12	\$11.28
Primary Metal Industries	10,344	\$587.73	\$570.71	\$521.21	43.6	43.4	41.3	\$13.48	\$13.15	\$12.62
Fabricated Metal Products	9,504	\$501.39	\$490.39	\$491.47	40.5	41.7	41.3	\$12.38	\$11.76	\$11.90
Machinery	19,838	\$417.48	\$418.76	\$390.84	39.2	39.1	39.8	\$10.65	\$10.71	\$9.82
Food and Kindred Products	26,360	\$335.34	\$370.51	\$337.91	34.5	37.2	34.8	\$9.72	\$9.96	\$9.71
Chemical and Allied Products	4,583	\$682.59	\$643.71	\$662.76	43.7	42.1	41.5	\$15.62	\$15.29	\$15.97
Transportation Equipment	60,696	\$651.10	\$646.85	\$638.81	42.5	42.5	44.3	\$15.32	\$15.22	\$14.42
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	83,763	\$625.23	\$615.03	\$616.90	36.8	36.5	37.8	\$16.99	\$16.85	\$16.32
Wholesale and Retail Trade (Includes eating and drinking establishments)	456,122	\$288.54	\$275.73	\$274.30	31.5	30.3	31.1	\$9.16	\$9.10	\$8.82

¹Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
Employment Security
Labor Market and
Economic Analysis Branch
212 Maple Park
Mail Stop KG-11
Olympia, WA 98504-5311

OFFICIAL BUSINESS
Penalty For Private Use \$300

WLM

☐ If you no longer wish to receive this publication, please check here
and return this cover to the above address.

If your address has changed, please indicate new address below and
return this cover to the above address.

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HWY
BETHESDA MD 20814



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

June 1990

Highlights

Easing Up On The Reins

The heat is down. Washington's economy proceeds to expand but at a pace which definitely showed signs of easing over the past couple months. May employment heightened only seasonally and unemployment inched higher at a time when the rate should typically be dropping off. Basic manufacturing, long considered the principal driver of the economy, has shifted from basically pacing the economy to essentially no-growth. Substantial carry-over, meanwhile, continues to drive the services economy higher. But disallowing the short-lived impact of federal census hires takes even this down a peg or two.

Not to worry. The economy is only slowing, not retrenching. And from a very high base. Most of the industries are holding their own. In fact, the employment pattern, with the singular exception of aerospace, is

drifting only in relative terms compared to the extraordinary experience of the past couple years. Moreover, thanks to a degree of economic diversity which has crept in gradually over time, sizable offsets are now in vogue which were not present previously. Continuation of the hectic job growth which propelled the state to third highest in the nation last year would surely overwhelm the infrastructure if allowed to proceed indefinitely. A breather is good news.

LABOR FORCE AND UNEMPLOYMENT

Washington's unemployment rate moved up fractionally from a 20-year low of 5.2 percent in April to 5.3 percent in May. The month-to-month movement was not deemed significant. However, the uptick did stand at odds with a normal downward pattern for the period. Labor markets throughout most of the metropolitan areas remained reasonably tight. Seattle-Everett continued to hover at 3.8 percent — the lowest jobless rate for the two-county area of any month since 1968. Unemployment statewide was down half a percentage point from 5.8 percent a year before and registered within bounds of the 5.1 percent national average for May.

Historically, there has been a gap averaging roughly one to two percentage points between the state and the national jobless rates. At the peak of the recession in 1982, the difference widened to nearly three percentage points. The reasons are quite simple. Washington has a much larger than national incidence of seasonal industries which make for greater vacillations of unemployment during the course of the year. In addition, the structure of the industrial base is heavily weighted toward the level of outlays for capital equipment which tend to lag the business cycle both on the up and downside. Recent strong job growth in the state has effectively narrowed the spread.

**Resident Civilian Labor Force
Employment and Unemployment in Washington State**

	May 1990 <i>Preliminary</i>	Apr 1990 <i>Revised</i>	May 1989
Resident Civilian Labor Force	2,525,200	2,537,900	2,481,100
Employment	2,391,800	2,405,100	2,335,900
Unemployment	133,400	132,800	145,100
Unemployment Rate	5.3	5.2	5.8
National Unemployment Rate	5.1	5.2	5.0

Data in this table are not seasonally adjusted.

Sources: Employment Security Department; U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Washington's employment base heightened seasonally in May. For most industries the month-to-month movement looked fairly typical. Food processing, construction, services, and trade all moved in tandem with higher levels of springtime activity. In addition, the government sector was boosted inordinately over the month by further buildup for the 1990 Census of Population. These typical and non-typical events served in essence to provide significant offset for counter moves in lumber and wood products and aircraft manufacturing.

The net result drove total nonfarm employment up 22,100. The gain was within striking distance of the most recent five-year average for the month but significantly lighter than the 31,300 posted in May of last year. Moreover, if the extraordinary 4,600 census hires are removed, the change for the "real economy" in May dropped to 17,500—the lowest since 1985. Manufacturing, on balance, showed absolutely no zip. Payrolls in the lumber and wood products industry actually fell off on a seasonally adjusted basis and worker levels in the aircraft industry were scaled back in May for the fifth consecutive month.

Manufacturing Holds Level

Loss of momentum in manufacturing has been confined specifically to aircraft and logging. The rest of manufacturing has been little affected. Electronics and instruments production is basically holding its own. Likewise, heavy machinery and fabricated metals. Thanks to added capacity put in place over the past year, food

processing proceeds to build seasonally on a higher than year-ago base. And chemicals is drawing higher after dropping throughout much of 1987-88 as additional environmental restoration work gets underway at Hanford.

Further pullback in aircraft manufacturing dropped employment in that industry another 800 in May. Year-to-date adjustments now measure on the order of 3,000. Another 2,600 are expected in the second half. Most of this reflects productivity gains coming out of the 747-400 production process which has reduced per unit labor requirements. Defense cutbacks are part of the equation. But for Boeing these figure less than for other major defense contractors in view of the preponderance of workload held in the commercial field. Order backlog of the company has proceeded to build in 1990 atop an industry record exceeding \$90 billion.

Owing to unseasonably warm weather early in the year, resource based activity in the first quarter essentially borrowed from the second quarter. Employment in logging, for example, stood 750 workers higher than a year before on average in January through March. By May, that figure was off by 400. The quick jump start was not just weather related, however. Strong export demand and desire to build inventories also figured into the action. As a result, the lumber and wood products industry has held steady rather than showing any seasonal increase over the past couple months. Payrolls inched up by 200 in May at a time when something on the order of 1,000 would logically have been expected.

Nonmanufacturing Boosts The Total

Into the breach has come the services economy. Non-manufacturing employment growth of 21,800 over the month more than compensated for any lackluster performance in manufacturing. Warmer spring time weather boosted payrolls in construction (+4,100), services (+2,500), and trade (+7,100). The additions were pretty much across the board with particular strength among special trade contractors and eating and drinking establishments. At the same time, further census hirings drove up federal government in May by 4,600 to a cumulative total of 8,000 for the year to date.

On the flip side, business services, which exploded at an exponential rate in recent years, appeared to have slowed. Employment mounted by 300 between April and May this year compared to 1,500 in the like period last year. If indeed the purchase of temporary help services quickens as overall demand rises, it follows that the pace would also lead as the economy begins to ease.

Over-The-Year Continues Strong

Year-to-year, Washington's nonfarm employment in May was up 99,200 or 4.9 percent. The spread narrowed from 108,300 in April and disallowing the 8,000 census workers would register closer to 91,200 or 4.5 percent. Even this latter pace, however, registers better than double the national average and the state's own long run historical trend. Services (+26,100) and trade (+25,600) have accounted for fully half the total job gain. Construction has added 11,900; government, 21,500; and manufacturing, 3,900.

Given the widespread loss nationally in manufacturing, it is quite remarkable that Washington's principal goods-producing sector continues to post a 12-month gain. Transportation equipment still holds an 1,100 worker edge over a year earlier. And both food processing and electronic equipment manufacturing were higher by 500 in May. Fabricated metals were up 700 but primary metals, the major input, was off by 400. Also lower were lumber and wood products (-800) and textiles and apparel (-300). The resurgence at Hanford, meanwhile, has managed to boost payrolls in the chemicals and allied products sector by 1,000.

AREA TRENDS

Metropolitan Medley

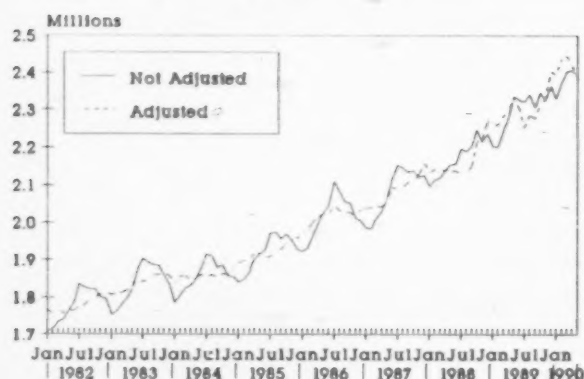
On balance, the state's metropolitan areas showed no change in unemployment in May at 4.8 percent of the urban workforce. But the average was derived from a mixture of offsetting entries. Seattle-Everett remained unchanged at a low 3.8 percent. Both Tacoma and Spokane inched higher: the former from 5.1 percent to

5.3 percent and the latter from 5.7 percent to 5.8 percent. Most of the other urban labor areas followed suit with the exception of Bellingham, which dropped from 5.4 percent to 5.2 percent, and Yakima, which moved lower from 11.4 percent to 10.2 percent. Joblessness on average measured better than half a percentage point less than a year before.

Seasonals Inch Higher

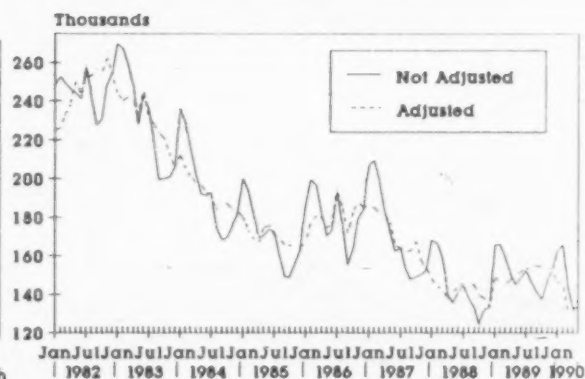
Meanwhile, the resource-based economies heightened. Unemployment in the logging areas of western Washington scaled back from 8.4 percent to 8.0 percent in May. And the agricultural economies of eastern Washington moved in tandem, dropping from 7.8 percent to 7.6 percent on average. Highs and lows for the month ranged from 17.6 percent in Adams County to 2.5 percent in San Juan County.

**State Total Resident Employment
January 1982-May 1990**



Source: Employment Security Department

**State Total Resident Unemployment
January 1982-May 1990**



Source: Employment Security Department

INDUSTRY NOTES

Over There, Over There ...

Washington continues to fly in the face of national trends with respect to foreign trade. While the nation struggles with what appears to be an endless trade

deficit, the state of Washington last year posted its largest international trade surplus in history. Thanks largely to increased business with western Europe, Washington-made exports jumped 39 percent in 1989 to a record \$19.5 billion. The value of imports was estimated at \$7.1 billion.

Understandably, much of the export gain was propelled by transportation equipment, including aircraft, boats, and trucks, which accounted for \$11.3 billion or 58 percent of total outshipments. Other contributors included aluminum, wheat, and timber, together with the growing high-tech industries which provide computer software, medical equipment, microelectronics, and test and measurement instruments.

Threatened It Is

The U.S. Fish and Wildlife Service officially declared the northern spotted owl a threatened species on June 22, 1990. Potential implications to the forest products industry are enormous. Logging could be banned across half the unprotected old-growth forests in the Pacific Northwest — roughly 3 million acres — if recommendations of the Interagency Scientific Commission are officially adopted. This agency has determined the probable loss to the state of Washington of that action at roughly 20,000 direct and indirect jobs.

North, East, South ... Wherever

With construction either planned or underway currently at Auburn, Renton, and Spokane, the Boeing Company has announced further plans to build two additional plants in adjacent Pierce County at a cost of \$400 million. The two facilities, one south of Tacoma and the other in Puyallup, will initially employ 570 workers when opened in mid-1992. Operations to be shifted revolve around wing parts and tool grinding. Capacity to meet record backlogs has become a central issue.

NATIONAL INDICATORS

Leading Us Sideways

The government's key economic forecasting index rose solidly in May after declining slightly in April. This kind of see-saw action has been in vogue since the beginning of the year, leading many economists to perceive little more than slow growth for the economy for the foreseeable future. In the second about-face in four months, the index of leading indicators jumped 0.8 percent, more than recouping the 0.1 percent drop a month before.

Encouragingly, both average work week of factory workers and manufacturers' orders for capital and consumer goods increased, giving a hint that the beleaguered manufacturing sector might be picking up. Declines centered in housing and consumer buying expectations.

Housing On The Rocks

As further followup, total housing starts sank 1.4 percent in May to a seasonally adjusted annual rate of 1.20 million units — the lowest since the recession in late-1982. A slowdown in job growth throughout much of the nation, high interest rates, and a credit crunch in some areas are all contributing factors. Meanwhile, the inventory of unsold homes continues to climb. Construction of single-family homes fell 1 percent in May; apartments and other multi-family dwellings were off a larger 2.5 percent.

Higher But Heartening Prices

Producer prices moved up 0.3 percent in May, reversing a three month decline. But analysts were heartened by the modest degree of movement. Energy prices continued to plunge thereby offsetting higher food costs. Over the first five months of the year, overall inflation at the wholesale level was running at a 4.0 percent annual rate, down from 4.8 percent for all of 1989.

At the consumer level, prices in May rose 0.2 percent, matching the increase for April. Food prices rose only 0.1 percent; energy costs dropped 0.7 percent; and prices excluding the volatile food and energy sectors

were up a moderate 0.3 percent. The overall index heightened to 129.2 percent of the 1982-84 base in May, an increase of 4.4 percent from a year ago.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

U.S. City Average	Indexes			% Change From	
	May 90	Apr 90	May 89	Apr 90	May 89
	129.2	128.9	123.8	0.2%	4.4%
Seattle†	Jul-Dec 1989	Jul-Dec 1988		Jan-Jun 1988	
	119.6	113.8		5.1%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	May 1990 (Prel)	Apr 1990 (Rev)	May 1989 (Rev)	Apr 1989 (Rev)	Numeric Change	
					Apr 1990 to May 1990	May 1989 to May 1990
TOTAL NONAG. WAGE AND SALARY . .	2,141.2	2,119.1	2,042.0	2,010.8	22.1	99.2
MANUFACTURING	363.7	363.4	359.8	353.6	0.3	3.9
Durable Goods	258.5	258.9	256.3	252.5	-0.4	2.2
Lumber & Wood Products	40.6	40.4	41.4	40.3	0.2	-0.8
Furniture & Fixtures	4.3	4.2	3.9	3.9	0.1	0.4
Stone, Clay & Glass	7.9	7.7	7.6	7.3	0.2	0.3
Primary Metals	12.8	12.9	13.2	13.1	-0.1	-0.4
Aluminum	8.8	8.8	9.0	8.9	0.0	-0.2
Fabricated Metals	12.2	11.9	11.5	11.2	0.3	0.7
Industrial Machinery & Equipment	19.4	19.3	19.1	18.7	0.1	0.3
Electronic & Other Electrical Equipment	12.0	12.0	11.5	11.5	0.0	0.5
Transportation Equipment	128.7	129.8	127.3	125.9	-1.1	1.4
Aircraft and Parts	113.3	114.1	112.2	108.8	-0.8	1.1
Instruments & Related	14.8	14.8	14.9	14.8	0.0	-0.1
Miscellaneous Manufacturing	5.8	5.9	5.9	5.8	-0.1	-0.1
Nondurable Goods	105.2	104.5	103.5	101.1	0.7	1.7
Food & Kindred Products	36.4	35.8	35.9	34.1	0.6	0.5
Preserved Fruits & Vegetables	13.0	12.6	13.3	12.0	0.4	-0.3
Textiles, Apparel & Leather	7.4	7.5	7.7	7.6	-0.1	-0.3
Paper & Allied Products	18.2	18.3	18.1	18.0	-0.1	0.1
Printing & Publishing	22.1	21.9	21.6	21.4	0.2	0.5
Chemicals & Allied Products	13.0	12.9	12.0	11.9	0.1	1.0
Petroleum, Coal, Plastics	8.1	8.1	8.2	8.1	0.0	-0.1
MINING & QUARRYING	3.8	3.7	3.7	3.5	0.1	0.1
CONSTRUCTION	117.5	113.4	105.6	100.9	4.1	11.9
TRANSP., COMM. & UTILITIES	111.4	110.2	106.1	105.3	1.2	5.3
WHOLESALE & RETAIL TRADE	523.7	516.6	498.1	488.9	7.1	25.6
Wholesale Trade	131.2	130.0	124.0	121.3	1.2	7.2
Retail Trade	392.5	386.6	374.1	367.6	5.9	18.4
General Merchandise	38.0	37.7	36.7	36.0	0.3	1.3
Food Stores	66.8	65.8	62.7	61.4	1.0	4.1
Eating & Drinking	143.0	139.7	136.1	133.8	3.3	6.9
FINANCE, INS., & REAL ESTATE	116.2	115.8	111.4	110.2	0.4	4.8
Finance	52.9	52.9	50.5	50.3	0.0	2.4
SERVICES	499.0	496.5	472.9	467.5	2.5	26.1
Hotels & Lodging	26.5	25.9	24.3	23.6	0.6	2.2
Business Services	81.5	81.2	76.0	74.6	0.3	5.5
Health Services	148.5	147.2	140.0	138.8	1.3	8.5
Hospitals	49.0	48.5	46.2	45.7	0.5	2.8
GOVERNMENT	405.9	399.5	384.4	380.9	6.4	21.5
Federal	79.5	74.9	71.6	71.5	4.6	7.9
State	116.3	116.3	112.0	111.3	0.0	4.3
State Education	62.0	62.2	60.1	59.3	-0.2	1.9
Local	210.1	208.3	200.8	198.1	1.8	9.3
Local Education	112.3	111.7	109.4	108.9	0.6	2.9
LABOR-MANAGEMENT DISPUTES	0.0	0.0	0.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

Resident Labor Force and Employment in Washington State and Labor Market Areas

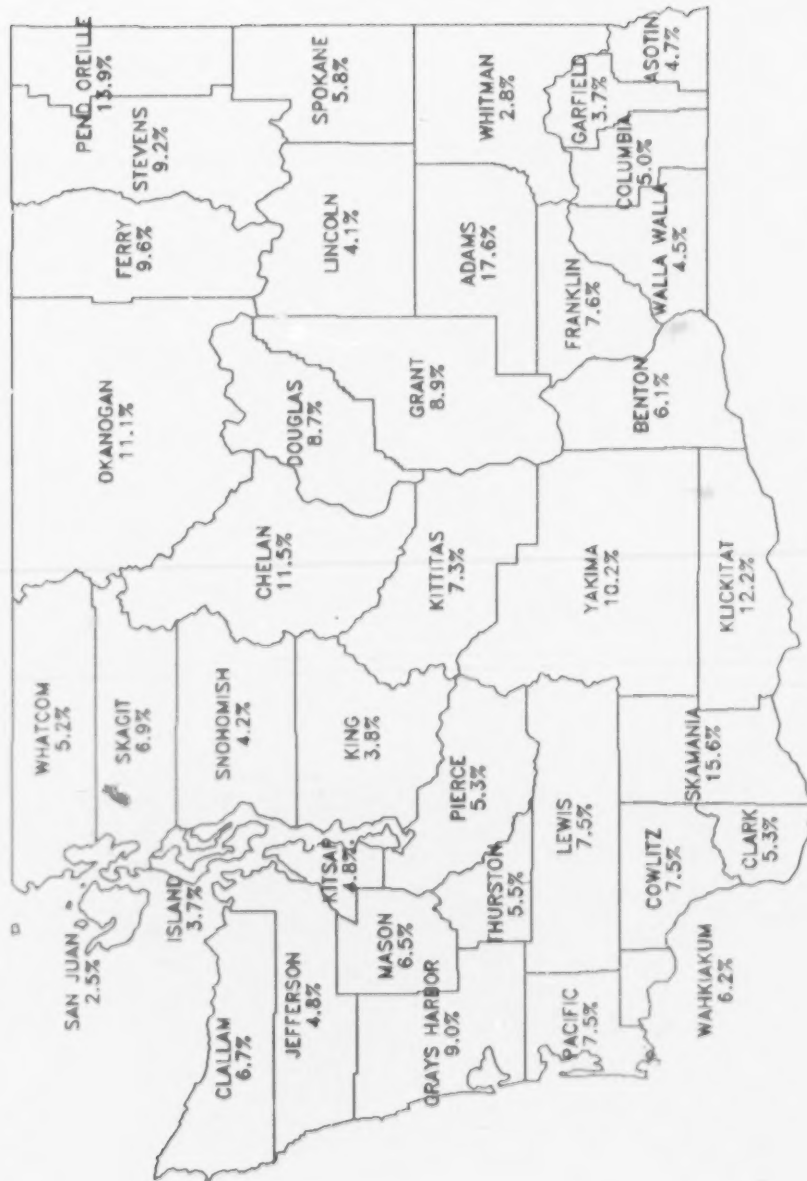
Date: 7/3/90
Benchmark: 1989

Not Seasonally Adjusted	May 1990 Preliminary†			April 1990 Revised†			May 1989 Revised†		
	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment	Labor Force	Employment	Unemployment
Washington State Total	2,525,200	2,391,800	133,400	2,537,900	2,405,100	132,800	2,481,000	2,335,900	145,100
Bellingham MSA	67,100	63,600	3,500	68,600	64,900	3,700	65,800	61,600	4,200
Bremerton MSA	81,100	77,200	3,900	82,000	78,200	3,800	80,000	75,900	4,100
Olympia MSA	83,700	79,100	4,600	84,000	79,600	4,400	81,000	76,300	4,700
Seattle PMSA	1,137,900	1,094,100	43,800	1,146,400	1,103,300	43,100	1,112,700	1,060,400	52,300
King County†	898,300	864,500	33,800	904,600	871,700	32,900	878,700	837,800	40,900
Snohomish County†	239,800	229,700	10,100	241,800	231,600	10,200	233,900	222,600	11,300
Spokane MSA	173,600	162,900	10,700	174,000	164,100	9,900	173,900	163,500	10,400
Tacoma PMSA	260,600	246,700	13,900	263,300	250,000	13,300	255,200	239,300	15,900
Tri-Cities MSA	77,500	72,500	5,000	74,500	69,700	4,800	76,500	71,000	5,500
Benton County†	60,500	56,800	3,700	57,900	54,600	3,300	59,300	55,600	3,700
Franklin County†	17,100	15,800	1,300	16,700	15,200	1,500	17,300	15,400	1,900
Vancouver PMSA	126,700	120,000	6,700	128,100	121,400	6,700	123,800	117,000	6,800
Yakima MSA	100,600	90,300	10,300	101,300	89,800	11,500	100,600	90,300	10,300
Adams	7,500	6,180	1,320	6,840	6,130	710	7,230	6,660	570
Asotin	10,210	9,730	480	10,060	9,650	410	9,680	9,220	460
Challam	24,090	22,480	1,610	24,270	22,560	1,710	24,570	22,720	1,850
Columbia	3,170	3,010	160	3,080	2,850	230	3,010	2,830	180
Cowlitz	38,940	36,030	2,910	39,260	36,220	3,040	38,510	35,750	2,760
Ferry	3,340	3,020	320	3,390	2,990	400	3,320	2,910	410
Garfield	1,070	1,030	40	1,030	1,000	30	1,070	1,070	30
Grant	27,290	24,870	2,420	26,330	24,110	2,220	27,490	25,260	2,230
Grays Harbor	28,000	25,470	2,530	28,220	25,660	2,560	27,330	24,990	2,340
Island	22,260	21,440	820	22,190	21,320	870	21,430	20,510	920
Jefferson	8,940	8,510	430	8,960	8,520	440	8,650	8,240	410
Kittitas	12,170	11,280	890	12,370	11,310	1,060	12,130	11,030	1,100
Klickitat	8,680	7,620	1,060	8,420	7,270	1,150	8,200	7,250	950
Lewis	27,070	25,040	2,030	26,930	24,950	1,980	26,080	24,070	2,010
Lincoln	4,430	4,250	180	4,290	4,090	200	4,570	4,400	170
Mason	14,210	13,280	930	14,050	13,100	950	13,870	12,910	960
Okanogan	16,470	14,650	1,820	16,480	14,510	1,970	16,520	14,680	1,840
Pacific	7,910	7,320	590	7,860	7,250	610	7,600	6,940	660
Pend Oreille	3,320	2,860	460	3,350	2,840	510	5,510	5,100	410
San Juan	6,020	5,870	150	5,860	5,690	170	6,020	5,790	230
Shagit	39,160	36,450	2,710	39,860	37,050	2,810	36,570	33,620	2,950
Skamania	2,180	1,840	340	2,260	1,860	400	2,300	1,960	340
Stevens	12,370	11,230	1,140	12,470	11,080	1,390	12,290	11,280	1,010
Wahkiakum	1,290	1,210	80	1,330	1,240	90	1,290	1,220	70
Walla Walla	25,690	24,540	1,150	25,480	24,020	1,460	25,900	24,670	1,230
Wenatchee Labor Area	40,840	36,510	4,330	40,830	36,800	4,030	40,960	36,780	4,180
Chelan County†	27,360	24,210	3,150	27,390	24,400	2,990	27,290	24,380	2,910
Douglas County†	13,490	12,310	1,180	13,440	12,400	1,040	13,680	12,400	1,280
Whitman	20,330	19,770	560	20,400	20,050	350	19,520	18,890	630

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

MAY 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 5.3%



Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary May Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		May 90			May 89			May 90		
		Apr 90	May 89	May 90	Apr 90	May 89	May 90	Apr 90	May 89	May 90
TOTAL MANUFACTURING INDUSTRIES¹	215,852	\$516.84	\$514.56	\$501.43	40.6	40.2	41.0	\$12.73	\$12.80	\$12.23
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	33,766	\$458.14	\$476.02	\$456.60	41.2	42.2	40.3	\$11.12	\$11.28	\$11.33
Primary Metal Industries	10,273	\$570.14	\$583.80	\$525.41	42.9	43.6	41.6	\$13.29	\$13.39	\$12.63
Fabricated Metal Products	9,647	\$504.71	\$506.85	\$497.21	42.7	42.7	41.4	\$11.82	\$11.87	\$12.01
Machinery	19,970	\$420.42	\$411.48	\$380.72	39.7	38.6	39.7	\$10.59	\$10.66	\$9.59
Food and Kindred Products	26,377	\$358.59	\$339.77	\$356.81	38.6	34.6	38.7	\$9.29	\$9.82	\$9.22
Chemical and Allied Products	4,616	\$662.02	\$681.81	\$629.83	41.9	43.4	41.3	\$15.80	\$15.71	\$15.25
Transportation Equipment	59,387	\$652.13	\$649.57	\$635.60	42.1	42.4	44.2	\$15.49	\$15.32	\$14.38
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	88,168	\$657.42	\$627.15	\$618.06	38.2	37.0	37.3	\$17.21	\$16.95	\$16.57
Wholesale and Retail Trade (Includes eating and drinking places)	461,401	\$276.94	\$286.37	\$263.07	30.5	31.4	30.1	\$9.08	\$9.12	\$8.74

¹ Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
Employment Security
Labor Market and
Economic Analysis Branch
212 Maple Park
Mail Stop KG-11
Olympia, WA 98504-5311

OFFICIAL BUSINESS

Penalty For Private Use \$300

WLM

☐ If you no longer wish to receive this publication, please check here
and return this cover to the above address.

If your address has changed, please indicate new address below and
return this cover to the above address.

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HWY
BETHESDA MD 20814



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

July 1990

Highlights

Oil On Troubled Waters

So much for life as usual. Iraq's sudden invasion of Kuwait has pressed the world into action against an act of aggression which potentially threatens the lifeblood of oil supplies throughout the Middle East. The saving grace is that the industrialized nations have put up a united front. Effectiveness of an economic blockade to wedge the situation apart will undoubtedly take time. But in the interim, both OPEC and non-OPEC oil suppliers have resolved to boost production in an effort to make up for some of the loss. Moreover, the fact that producers and consumers alike have acted rationally this time around rather than panicking as was the case in the 1970s has lessened the overall impact.

This may be the shock to the economy, however, that was noticeably lacking. Unquestionably, the oil price hike unleashed by the invasion is a double-edged sword

that will simultaneously cut real growth of the economy and boost underlying inflation. No precise measurement is possible. The best guess is probably something between a half to a full percentage point reduction in real GNP and a corresponding add-on to inflation. Given that the economic data for the second quarter showed a national economy barely afloat, these kinds of numbers would drive the nation precariously close to recession.

The ball is now in the Federal Reserve's court. If the Fed should act to cushion the economy by increasing the money supply and lowering interest rates, as was done during the oil crisis of the 1970s, the prospect is sharply accelerating inflation. On the other hand, holding firmly to existing policies runs the risk of recession at a time when the nation's policy-makers are grappling with a \$232 billion budget deficit and a \$300 billion savings and loan debacle. Obviously, there are no clear answers.

Washington's economy is not heavily dependent upon oil per se. Most local gasoline and oil consumption is refined from Alaskan crude. Electricity is overwhelmingly hydro-generated. And the state has no known oil reserves. However, the impact of higher transportation costs are enormous. A one-cent increase in the price of jet fuel, for example, costs the airline industry \$150 million a year. The commercial carriers are Boeing's principal customers. Area boatbuilding and other transportation equipment manufacturing are similarly affected. Most of Washington-based goods and services are shipped to markets long distances outside the region, either domestic or overseas. And consumers locally share as much as their national counterparts in higher costs associated with the normal pass through of higher energy bills.

Both the Washington and national economies were slowing long before the impact of the Persian Gulf crisis hit. The national economy for the better part of a year; the state economy for several months. Oil simply added another variable. The key is whether the economic sanctions imposed by the rest of the world can effectively wedge the situation apart. And whether oil supplies in

the interim prove sufficient to prevent a further major price runup.

EMPLOYMENT STRENGTH AT MID-YEAR

Prior to the buildup, Washington's economy continued to expand seasonally in June. The overall rate of job increase eased from the extraordinary pace of recent years, but proceeded to build off the record established in the first quarter. With labor markets already tight, normal seasonal increases put added pressure on the available labor force, driving unemployment down over the month to levels not seen since the late-1960s.

Washington's jobless rate dropped sharply from 5.3 percent in May to 4.7 percent in June. The rate measured the lowest of any month in 22 years and the lowest for June since the height of the Boeing Boom in 1966. Agriculture, trade, services, and construction all added to the job rolls over the month. Manufacturing, in contrast, held relatively unchanged. That push, however, proved sufficient to drive Washington's unemployment rate below the national average for the first time since October 1966. The statewide rate a year ago measured 6.0 percent.

**Resident Civilian Labor Force
Employment and Unemployment in Washington State**

	Jun 1990 <i>Preliminary</i>	May 1990 <i>Revised</i>	Jun 1989
Resident Civilian Labor Force	2,561,200	2,524,900	2,476,300
Employment	2,440,800	2,391,500	2,327,500
Unemployment	120,400	133,400	148,800
Unemployment Rate	4.7%	5.3%	6.0%
National Unemployment Rate	5.3%	5.1%	5.5%

Data in this table are not seasonally adjusted.

Sources: Employment Security Department; U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total nonfarm employment heightened over the month by 22,200. The gain was within bounds of the average for the month over the past five years but significantly lighter than the 31,300 posted for June 1989. In essence, the economy showed a fairly normal May-to-June pattern. But the loss of momentum in the state's two biggest industrial sectors — aircraft and forest products manufacturing — has had noticeable impact.

If the economy has indeed reached a turning point to a more moderate growth plane, some degree of lag between manufacturing and nonmanufacturing should reasonably be expected. In the last go-around in the early-1980s, nonmanufacturing on a seasonally adjusted basis continued climbing six months after manufacturing not only slowed but actually turned down. This kind of performance has characterized the national employment figures for the better part of a year. The fact that a similar pattern is only now beginning to show up locally attests to the huge margin of growth which the state has enjoyed over the national economy throughout most of the past seven years.

No Zip In Manufacturing

Manufacturing showed little change in June. Employment on balance inched higher by only 1,900 workers in contrast to 5,300 in the like month a year earlier. Much of that slowdown was confined specifically to aircraft and lumber and wood products. Those industries which basically held their own included metals, machinery, and instruments manufacturing. Those showing larger than seasonal boosts were principally food processing and chemicals including Hanford.

After dropping 3,000 since the beginning of the year, the aircraft industry held steady in June at 113,300. This marked the first hesitation in a string of reductions starting in January aimed specifically at addressing productivity gains on the 747-400. Loss of another 2,600 is expected in the second half. According to Boeing, most of the first half downsizing was largely accomplished through attrition. Only 400 were actually laid off. The impact to date has been minimal.

At the same time, lumber and wood products employment fell in June on a seasonally adjusted basis. Activity in the first quarter tracked inordinately high owing to a combination of favorable weather, strong export demand, and desire to build inventories as a hedge against future supply constraints. Rather than heightening seasonally from that base, employment in the second quarter simply maintained the first quarter averages. As a result, the usual buildup of several thousand workers in lumber and wood products from March to June simply didn't occur. Employment in lumber and wood products has held virtually stationary at 41,000 since the first of the year.

*Nonmanufacturing
Into The Breach*

The services economy has now moved to the forefront. Employment in nonmanufacturing heightened in June by 20,300. Onset of summer ushered in fairly typical seasonal expansion in construction (+ 3,900), trade (+ 10,600), and services (+ 3,100). Greater farm-to-market movement boosted overall payrolls in wholesale trade despite a labor-management dispute idling 800. Meanwhile, both hotels and eating and drinking establishments geared up for what ultimately proved to be an outstanding 1990 tourist season. Higher demand for temporary personnel, moreover, quickened the pace of business services.

Government provided some offset. An end to the regular school year caused a 3,400 reduction in state and local public education. Additional non-certified personnel will be removed in July and August before rehiring begins again in September. A further impact resulted from the 1,200 loss of temporary census workers in the federal government sector.

*Year-Over-Year Holds
To A Wide Margin*

Washington's economy over the year ending in June added 88,600 nonfarm workers to state employment rolls. Although somewhat more restrained than the 113,000 year-to-year margin posted in the first quarter, the 4.9 percent pace in the latest period continues to track better than twice the national average. Manufacturing, in particular, has eased off. Employment in the

basic goods-producing industries has shifted from 21,000 *above* the prior-year in June last year to 300 *below* in June of this year.

Much of the slowing to date has centered in lumber and wood products (-1,400) and transportation equipment (-200). Also tracking lower than a year ago are primary metals (-300), food processing (-200), and textiles and apparel (-300). For the most part, payrolls have held relatively stable over the year in fabricated metals, instruments, and machinery production. General growth of the economy has boosted printing and publishing (+ 400), and special factors relating to environmental cleanup have added significant numbers of workers in the nucleonics portion of chemicals and allied products (+ 900).

Services (+ 25,500) and trade (+ 28,000) have collectively accounted for 60 percent of the total growth of the economy over the past year. Health and business services, eating and drinking establishments, and general food stores have generally set the pace. Each reflects the impact arising from higher population and greater business activity. Likewise, government (+ 14,600) has moved higher in concert with the pace of the general economy. And the rest of the services economy (+ 8,900), in essence, has followed suit.

AREA TRENDS

Metropolitan Areas Touch Full Employment

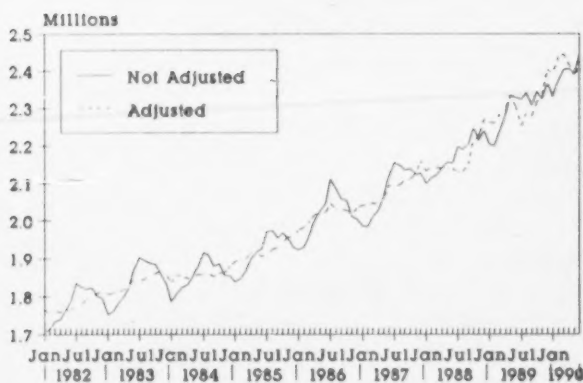
Technically, Washington's metropolitan areas have now moved into the realm of full employment. Labor markets in the Seattle PMSA have progressively tightened over the past year despite some slowing in the rate of job growth. Area unemployment in Seattle-Everett measured 3.5 percent in June — the lowest of any month since December 1967. Other areas with less than the threshold 5 percent in the latest month included Bellingham (4.7 percent), Bremerton (4.6 percent), Olympia (4.9 percent), and Tacoma (4.9 percent). For all urban areas, joblessness was running 4.4 percent

in June, down more than a full percentage point from 5.7 percent in June 1989.

Weather Boosts the Resource-Based Economies

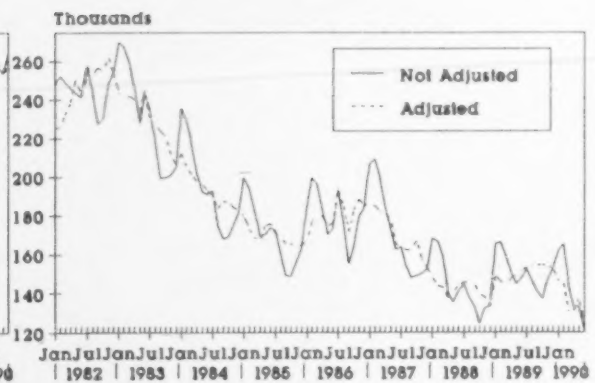
As farming shifted to higher gear, the economies of eastern Washington have noticeably improved. Unemployment in the eastern half of the state dropped from 7.6 percent in May to 6.3 percent in June. Realistically, the rate will drop further in late-summer and early-fall as agricultural activity peaks. Meanwhile, the timber-dependent counties of western Washington showed an average 6.8 percent unemployment rate in the latest month, ranging from a low of 4.0 percent in Jefferson County to a high of 13.7 percent in Skamania.

**State Total Resident Employment
January 1982-June 1990**



Source: Employment Security Department

**State Total Resident Unemployment
January 1982-June 1990**



Source: Employment Security Department

INDUSTRY NOTES

British Bulges Boeing's Backlog

British Airways recently gave Boeing its third largest commercial order in history for 21 new 747-400 jumbo jets worth \$4.1 billion. If options on 12 additional aircraft are exercised, the deal could potentially reach \$6.9 billion. Also included was the right to convert some firm orders to an even larger double-decker super jumbo carrying up to 650 passengers which Boeing hopes to have in design stage by 2000. Deliveries will begin in 1992 and continue through 1999. Boeing's cumulative backlog at the end of June totalled 1,730 aircraft valued at roughly \$91 billion.

Meanwhile, go-ahead on the new generation 777 is waiting in the wings. Boeing announced plans to offer the aircraft in December but a major lead buyer has not yet stepped forward. Speculation was that United would take that lead. But action has been delayed. The wide-body 777 twin-jet incorporates fiber optical controls, lighter-weight aluminum alloys, and state-of-the art electronics in a 350-passenger configuration designed to compete directly against the Airbus A330 and McDonnell MD-11.

Navy Plans Posture Bremerton

Ironically, the fortunes of the Puget Sound Naval Shipyard are expected to rise over the next several years as the budget of the U.S. Navy contracts. Mothballing of a new generation of ships means more business at Bremerton. Delay of the carrier base at Everett, moreover, translates into more active duty tenants. Overhaul and repair work will continue heavy. And the Navy is considering making Bremerton the home port for two additional fleet replenishment ships. PSNS is the major economic player in the Kitsap County economy with a workforce of 12,300 and an annual payroll exceeding \$400 million.

Refineries Upgrade

Washington's four oil refineries — ARCO, Shell, Texaco, and BP Oil — will generate a \$2 billion construction boom in Skagit and Whatcom counties over the next four years. Requirements mandated by the federal

Clean Air Act, together with local jurisdictional need for special blends of gasoline to meet required emission controls, lie behind the action. ARCO is overseeing plans for an \$800 million upgrade that will employ 1,500 construction workers at the peak of activity for two years. Another 2,500 to 3,000 are likely at the other three sites during the same time period.

NATIONAL INDICATORS

Slow Go GNP

Gross National Product data for the second quarter showed a national economy barely afloat. Annual growth in real terms sputtered along at 1.2 percent rate from April to June, down from a revised 1.7 percent in the first quarter. Nearly every major indicator of the private sector declined over the period making for the weakest performance in 7 ½ years. Only a buildup of business inventories and a rise in government spending prevented the economy from actually declining.

Given events in the Persian Gulf, achieving the Administration's 2.2 percent goal for the year now seems impossible. That kind of average would necessitate a 2.9 percent rate of expansion in the second half, a pace not seen since the farm gate rebound in the first quarter of 1989. The latest Data Resources Incorporated national forecast is a 1.0 percent growth in real GNP for 1990 with both the third and fourth quarters tracking remarkably close to recession.

Big Ticket Orders Continue To Seesaw

Factory orders for durable goods — big ticket items intended to last more than three years — plummeted in June by 3.2 percent following an encouraging 4.2 percent pickup in May. This marked the third decline for the year and continued the sawtooth pattern evidenced since January. Manufacturing is essentially stalled in a no-growth situation. A 20 percent drop in defense orders accounted for much of June's plunge; however, orders excluding military equipment were also down by 1.7 percent. Through the first six months of the year,

new durable orders totalled \$744.7 billion, off 1.5 percent from a year before.

Economic Barometer Goes Nowhere

Meanwhile, the Index of Leading Economic Indicators failed to go anywhere in June. This primary forecasting gauge of the federal government remained unchanged for the second month this year, confirming a picture of a listless economy over the next six to nine months. It had risen in March and May; fallen in February and April; and held steady in January. The lack of clear direction is consistent with other economic data available since the first of the year.

Inflation Remains Entrenched

June consumer prices jumped 0.5 percent with food and housing posting their biggest increases since January. Collectively, the two components constitute nearly 60 percent of the Labor Department's overall index. Hence, each carries proportionately large weight. Medical costs rose 0.7 percent over the month and stood 9 percent above the prior year — the fastest 12 month hike of any single item. On average, consumer prices nationally were up 4.9 percent over the year in the first half. Seattle-Everett registered higher by 6.4 percent.

Consumer Price Index

(All Items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
	Jun 90	May 90	Jun 89	May 90	Jun 89
U.S. City Average	129.9	129.2	124.1	0.5	4.7
Seattle†	Jul-Dec 1989	Jul-Dec 1988		Jul-Dec 1988	
	119.6	113.8		5.1	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	Jun 1990 (Prel)	May 1990 (Rev)	Jun 1989 (Rev)	May 1989 (Rev)	Numeric Change	
					May 1990 to Jun 1990	Jun 1989 to Jun 1990
TOTAL NONAG. WAGE AND SALARY . .	2,161.9	2,139.7	2,073.3	2,042.0	22.2	88.6
MANUFACTURING	364.8	362.9	365.1	359.8	1.9	-0.3
Durable Goods	259.2	258.2	260.2	256.3	1.0	-1.0
Lumber & Wood Products	41.2	40.7	42.6	41.4	0.5	-1.4
Furniture & Fixtures	4.4	4.3	3.9	3.9	0.1	0.5
Stone, Clay & Glass	8.0	7.8	7.8	7.6	0.2	0.2
Primary Metals	13.0	12.8	13.3	13.2	0.2	-0.3
Aluminum	8.9	8.7	9.0	9.0	0.2	-0.1
Fabricated Metals	12.2	12.1	12.1	11.5	0.1	0.1
Industrial Machinery & Equipment	19.5	19.3	19.5	19.1	0.2	0.0
Electronic & Other Electrical Equipment	12.0	12.0	11.6	11.5	0.0	0.4
Transportation Equip	128.5	128.6	128.7	127.3	-0.1	-0.2
Aircraft and Parts	113.3	113.3	113.3	112.2	0.0	0.0
Instruments & Related	14.8	14.7	14.9	14.9	0.1	-0.1
Miscellaneous Manufacturing	5.6	5.9	5.8	5.9	-0.3	-0.2
Nondurable Goods	105.6	104.7	104.9	103.5	0.9	0.7
Food & Kindred Products	35.7	35.9	35.9	35.9	-0.2	-0.2
Preserved Fruits & Vegetables	12.3	12.5	13.0	13.3	-0.2	-0.7
Textiles, Apparel & Leather	7.6	7.4	7.9	7.7	0.2	-0.3
Paper & Allied Products	18.9	18.2	18.8	18.1	0.7	0.1
Printing & Publishing	22.2	22.1	21.8	21.6	0.1	0.4
Chemicals & Allied Products	13.1	13.0	12.2	12.0	0.1	0.9
Petroleum, Coal, Plastics	8.1	8.1	8.3	8.2	0.0	-0.2
MINING & QUARRYING	3.8	3.8	3.7	3.7	0.0	0.1
CONSTRUCTION	121.3	117.4	109.5	105.6	3.9	11.8
TRANSP., COMM., & UTIL.	113.6	111.3	109.0	106.1	2.3	4.6
WHOLESALE & RETAIL TRADE	534.9	524.3	506.9	498.1	10.6	28.0
Wholesale Trade	134.7 ²	131.3	127.5	124.0	3.4	7.2
Retail Trade	400.2	393.0	379.4	374.1	7.2	20.8
General Merchandise	38.3	37.8	37.1	36.7	0.5	1.2
Food Stores	67.9	66.9	61.6 ²	62.7	1.0	6.3
Eating & Drinking	145.9	143.2	139.0	136.1	2.7	6.9
FINANCE, INS., & REAL ESTATE	117.3	116.2	113.0	111.4	1.1	4.3
Finance	53.1	52.9	51.0	50.5	0.2	2.1
SERVICES	502.8	499.7	477.3	472.9	3.1	25.5
Hotels & Lodging	27.7	26.5	25.8	24.3	1.2	1.9
Business Services	83.0	81.9	77.8	76.0	1.1	5.2
Health Services	150.3	148.6	141.1	140.0	1.7	9.2
Hospitals	49.5	49.0	46.6	46.2	0.5	2.9
GOVERNMENT	403.4	404.1	388.8	384.4	-0.7	14.6
Federal	76.7	77.9	72.0	71.6	-1.2	4.7
State	114.7	116.3	110.5	112.0	-1.6	4.2
State Education	59.5	62.0	57.9	60.1	-2.5	1.6
Local	212.0	209.9	206.3	200.8	2.1	5.7
Local Education	111.3	112.2	109.3	109.4	-0.9	2.0
LABOR-MANAGEMENT DISPUTES	0.8	0.0	8.0	0.0	0.0	0.0

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Workers excluded because of involvement in labor-management disputes.

Washington State
Employment Security Department
Labor Market and Economic Analysis

Resident Labor Force and Employment in Washington State and Labor Market Areas

Date: 7/31/90
Benchmark: 1989

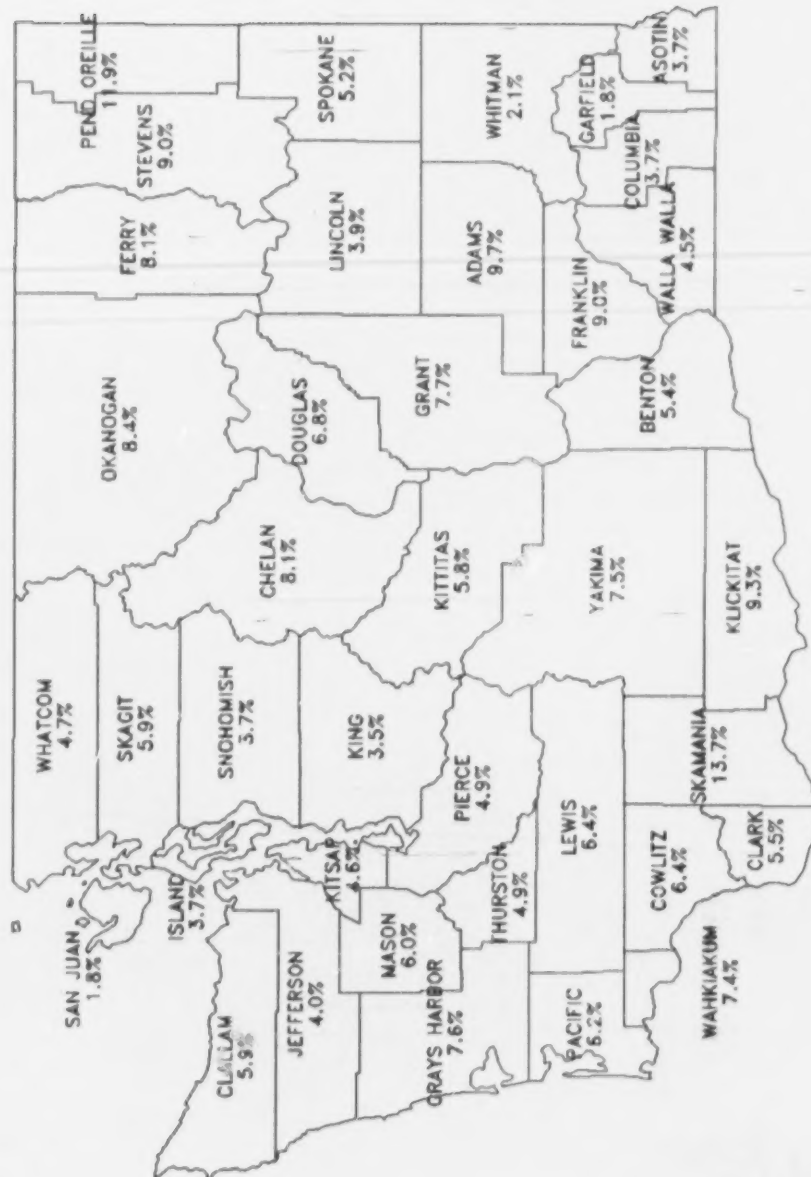
Not Seasonally Adjusted

	June 1990 Preliminary†				May 1990 Revised†				June 1989 Revised†			
	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,561,200	2,440,800	120,400	4.7	2,524,900	2,391,500	133,400	5.3	2,476,300	2,327,500	148,800	6.0
Bellingham MSA	68,700	65,500	3,200	4.7	67,200	63,700	3,500	5.2	65,200	60,700	4,500	6.9
Bremerton MSA	81,900	78,100	3,800	4.6	80,700	76,800	3,900	4.8	79,000	74,700	4,300	5.4
Olympia MSA	85,400	81,200	4,200	4.9	84,000	79,400	4,600	5.5	79,500	74,700	4,800	6.0
Seattle PMSA	1,144,700	1,104,300	40,400	3.5	1,136,500	1,092,700	43,800	3.9	1,102,100	1,050,000	52,100	4.7
King County‡	904,100	872,500	31,600	3.5	897,000	863,300	33,700	3.8	871,100	829,600	41,500	4.8
Snohomish County‡	240,600	231,800	8,800	3.7	239,400	229,400	10,000	4.2	231,000	220,400	10,600	4.6
Spokane MSA	173,500	164,500	9,000	5.2	173,800	163,600	10,200	5.9	170,500	159,500	11,000	6.5
Tacoma PMSA	259,200	246,500	12,700	4.9	261,500	247,600	13,900	5.3	252,200	235,700	16,500	6.5
Tri-Cities MSA	83,800	78,600	5,200	6.2	77,600	72,600	5,000	6.4	81,800	75,900	5,900	7.2
Benton County‡	65,000	61,500	3,500	5.4	60,500	56,800	3,700	6.1	63,800	59,400	4,400	6.9
Franklin County‡	18,800	17,100	1,700	9.0	17,100	15,800	1,300	7.6	18,000	16,500	1,500	8.3
Vancouver PMSA	128,300	121,300	7,000	5.5	126,700	119,900	6,800	5.4	122,100	114,300	7,800	6.4
Yakima MSA	108,700	100,600	8,100	7.5	100,200	89,900	10,300	10.3	110,500	100,200	10,300	9.3
Adams	7,820	7,060	760	9.7	7,410	6,200	1,210	16.3	7,540	7,020	520	6.9
Asotin	10,210	9,830	380	3.7	10,180	9,700	480	4.7	9,610	9,140	470	4.9
Challam	25,050	23,580	1,470	5.9	24,090	22,490	1,600	6.6	24,900	23,080	1,820	7.3
Columbia	3,000	2,890	110	3.7	3,090	2,940	150	4.9	2,740	2,550	190	6.9
Cowlitz	39,510	36,970	2,540	6.4	38,940	36,110	2,830	7.3	38,480	35,530	2,950	7.7
Ferry	3,340	3,070	270	8.1	3,350	3,030	320	9.6	3,270	2,930	340	10.4
Garfield	1,100	1,080	20	1.8	1,070	1,030	40	3.7	1,120	1,090	30	2.7
Grant	29,130	26,880	2,250	7.7	27,380	24,860	2,520	9.2	28,700	26,170	2,530	8.8
Grays Harbor	28,430	26,280	2,150	7.6	27,980	25,480	2,500	8.9	27,120	24,780	2,340	8.6
Island	22,850	22,010	840	3.7	22,260	21,400	860	3.9	21,130	20,230	900	4.3
Jefferson	9,090	8,730	360	4.0	8,930	8,510	420	4.7	8,590	8,180	410	4.8
Kittitas	12,700	11,960	740	5.8	12,260	11,350	910	7.4	12,110	11,160	950	7.8
Klickitat	8,960	8,130	830	9.3	8,640	7,620	1,020	11.8	8,540	7,490	1,050	12.3
Lewis	27,670	25,900	1,770	6.4	27,080	25,050	2,030	7.5	26,080	24,130	1,950	7.5
Lincoln	4,590	4,410	180	3.9	4,450	4,270	180	4.0	4,610	4,420	190	4.1
Mason	14,430	13,560	870	6.0	14,230	13,280	950	6.7	13,830	12,790	1,040	7.5
Okanogan	17,620	16,140	1,480	8.4	16,460	14,640	1,820	11.1	17,600	15,670	1,930	11.0
Pacific	7,880	7,390	490	6.2	7,920	7,320	600	7.6	7,430	6,770	660	8.9
Pend Oreille	3,360	2,960	400	11.9	3,340	2,870	470	14.1	5,030	4,580	450	8.9
San Juan	6,780	6,660	120	1.8	6,050	5,890	160	2.6	6,350	6,150	200	3.1
Skagit	40,180	37,800	2,380	5.9	39,080	36,350	2,730	7.0	37,160	34,140	3,020	8.1
Skamania	2,190	1,890	300	13.7	2,190	1,840	350	16.0	2,310	1,930	380	16.5
Stevens	12,850	11,690	1,160	9.0	12,380	11,230	1,150	9.3	12,350	11,250	1,100	8.9
Wahkiakum	1,360	1,260	100	7.4	1,290	1,210	80	6.2	1,320	1,230	90	6.8
Walla Walla	26,050	24,890	1,160	4.5	25,680	24,550	1,130	4.4	25,560	24,150	1,410	5.5
Wenatchee Labor Area	42,350	39,100	3,250	7.7	40,730	36,410	4,320	10.6	42,110	37,910	4,200	10.0
Chelan County‡	28,200	25,920	2,280	8.1	27,230	24,140	3,090	11.3	28,220	25,130	3,090	10.9
Douglas County‡	14,140	13,180	960	6.8	13,500	12,270	1,230	9.1	13,880	12,780	1,100	7.9
Whitman	18,420	18,030	390	2.1	20,320	19,760	560	2.8	17,650	17,160	490	2.8

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

JUNE 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 4.7%



Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary June: Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jun 90 May 90 Jun 89			Jun 90 May 90 Jun 89			Jun 90 May 90 Jun 89		
		Jun 90	May 90	Jun 89	Jun 90	May 90	Jun 89	Jun 90	May 90	Jun 89
TOTAL MANUFACTURING INDUSTRIES¹	215,662	\$521.48	\$513.48	\$505.52	40.3	40.4	40.9	\$12.94	\$12.71	\$12.36
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,187	\$453.69	\$442.89	\$457.94	40.4	39.9	40.1	\$11.23	\$11.10	\$11.42
Primary Metal Industries	10,488	\$557.46	\$568.03	\$522.49	42.2	43.0	41.5	\$13.21	\$13.21	\$12.59
Fabricated Metal Products	9,727	\$530.43	\$508.46	\$514.88	43.3	42.8	42.1	\$12.25	\$11.88	\$12.23
Machinery	19,914	\$427.20	\$420.42	\$387.10	40.0	39.7	39.5	\$10.68	\$10.59	\$9.80
Food and Kindred Products	25,393	\$355.20	\$363.78	\$354.16	37.0	38.7	36.7	\$9.60	\$9.40	\$9.65
Chemical and Allied Products	4,555	\$660.86	\$659.93	\$634.26	41.8	41.9	41.7	\$15.81	\$15.75	\$15.21
Transportation Equipment	58,511	\$667.18	\$652.83	\$641.69	42.2	42.2	44.5	\$15.81	\$15.47	\$14.42
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	92,063	\$636.47	\$650.94	\$621.75	36.6	38.0	37.5	\$17.39	\$17.13	\$16.58
Wholesale and Retail Trade (Includes eating and drinking places)	474,980	\$278.97	\$277.54	\$261.83	31.1	30.6	30.2	\$8.97	\$9.07	\$8.67

¹ Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
Employment Security
Labor Market and
Economic Analysis Branch
212 Maple Park
Mail Stop KG-11
Olympia, WA 98504-5311

OFFICIAL BUSINESS
Penalty For Private Use \$300

WLM

☐ If you no longer wish to receive this publication, please check here
and return this cover to the above address.

If your address has changed, please indicate new address below and
return this cover to the above address.

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HWY
BETHESDA MD 20814



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449



Washington

LABOR MARKET



Washington State
Employment Security

Isiah Turner
Commissioner

Prepared by the
Labor Market And
Economic Analysis Branch
(206) 438-4800

Gary Bodeutsch
Director

In cooperation with the
Employment and Training
Administration
U.S. Department of Labor

August 1990

Highlights

Toward The Summer Solstice

Ahh . . . summertime in the Pacific Northwest. Fill it with blue skies over a carpet of green. Heighten the tempo on the farms and in the forests, eateries and hotels, parks and resorts proportionate to the rise in average daytime temperatures. Add in a major international cultural and sporting event in the guise of the 1990 Goodwill Games hosted back-to-back with major national conventions. Overlay that atop an economy slowed but only in relative terms from recent years. And you pretty much have a picture of work-a-day life in Washington in July.

Outdoor activity in agriculture, construction, recreation, and tourism all heightened seasonally with the onset of summer. Farming, in particular, shifted into higher gear with the start-up of raspberry and vegetable harvesting in western Washington; wheat, barley, early potato, and

soft tree fruits in eastern Washington. Special trade and highway contractors took full advantage of better weather by boosting overall construction payrolls toward their highs for the year. Furthermore, some of those drivers stalled by freeway projects were in fact workers on vacation whose jobs were temporarily filled through personnel supply agencies, thereby adding to the summertime job count.

On the flip side, release of non-teaching staff at the state's public and private schools effectively overwhelmed whatever expansion took place during the month in the private sector. This kind of pattern is typical for this time of year. A reversal will undoubtedly occur in September-October with rehiring of the same staff for the new academic term. In the interim, however, government will track at its low for the year. Release of additional census workers was yet another factor impacting July as the enumeration phase wound down.

LABOR FORCE AND UNEMPLOYMENT

Meanwhile, Washington's unemployment rate inched up from a 22-year low of 4.8 percent in June to 5.0 percent in July. Again, this was no surprise. Entry of large numbers of students into the active workforce normally bulges the unemployment rate initially before that onslaught can be assimilated. The rate will undoubtedly fall back again in August.

Despite some slowdown in the overall rate of job growth, normal seasonal expansion of the economy is pushing hard against available labor supply. Labor markets throughout most of the state's major metropolitan areas have tightened progressively since spring. July's statewide unemployment rate measured better than a full percentage point below a year earlier and the lowest recorded for the month since 1968. Moreover, the state inched below the national average for only the second time since October 1966.

Over the past seven years, Washington's unemployment rate has been effectively cut in half. And over the past year, the rate has continued to drop while the national

average has shown no change. The net result: the state's traditional one to two percentage point spread over the national jobless rate has been removed. Bear in mind that the area economies are operating presently at their seasonal highs. Nevertheless, ongoing growth of the state vis-à-vis the nation continues to make for favorable statistical comparisons.

**Resident Civilian Labor Force
Employment and Unemployment in Washington State**

	Jul 1990 Preliminary	Jun 1990 Revised	Jul 1989
Resident Civilian Labor Force	2,548,200	2,564,100	2,475,200
Employment	2,420,100	2,441,600	2,322,800
Unemployment	128,100	122,500	152,400
Unemployment Rate	5.0%	4.8%	6.2%
National Unemployment Rate	5.5%	5.3%	5.3%

Data in this table are not seasonally adjusted.

Sources: Employment Security Department; U.S. Department of Labor, Bureau of Labor Statistics

INDUSTRY DEVELOPMENTS

Total nonfarm employment dropped over the month by 24,900 as 33,100 non-teaching staff in public education were released for summer recess. The reduction in education was on a par with last year. But in addition, another 4,000 census workers were removed from federal payrolls driving the cumulative net loss in the government sector to 32,700. At the same time, private payrolls moved in the opposite direction by adding 7,800 workers in July. The comparable figure a year ago was 8,500.

Barring seasonal factors, the underlying rate of employment change statewide has eased since the beginning of the year. On a seasonally adjusted basis, nonfarm employment has drifted from a heady 7.0 percent annualized rate of growth in the first quarter to 2.2 percent in the second quarter and then to 1.3 percent in July. Given the prospects for continued retrenchment in both aerospace and forest products, together with the impacts now arising from higher oil prices, this kind of pattern should logically be expected to continue through the balance of 1990.

Much of the slowing to date has been confined principally to manufacturing. And specifically to aerospace and lumber and wood products. Both reflect adjustments off a very high base and both were down between 1,200 and 1,400 workers from a year before in July. In addition, however, some easing has also taken place in construction, largely in housing. Again, the base of measurement for this industry is coming off an all-time high. The services sectors, meanwhile, continue to pace the economy. But growth in business services has also slowed.

Manufacturing Is A Mixed Bag

Manufacturing in July inched up by 600 workers in contrast to 2,600 in the same month a year ago. Those industries adding workers included lumber and wood products (+ 300), fabricated metals (+ 200), heavy machinery (+ 200), and apparel (+ 200). Offsets came in aircraft manufacturing (-300), food and kindred products (-200), and miscellaneous durable goods production (-100). On a seasonally adjusted basis, total manufacturing employment was off 700 over the month and 7,000 since the first of the year.

Nearly half the slide since January, or 3,300 workers, has been associated with aircraft production. Early in the year, Boeing announced target layoffs aimed specifically at bringing workers levels on the 747-400 more closely in line with production requirements. Since that time, a pullback in defense has added another dimension. The bottom line looks to be a 6,000 net reduction year-end to year-end from a high of 116,300 in December 1989.

At the same time, lumber and wood products employment has gone nowhere. And on a seasonally adjusted basis has actually fallen by 3,100 from January to July. Admittedly, the first quarter was buoyed by exceptionally mild weather which allowed activity to proceed at a time of normal seasonal lows. To a great extent, that pattern played havoc with the seasonal adjustment factors throughout most of the first half. But the fact that July proceeded to weaken attests to emerging softness in the industry.

*Nonmanufacturing
Sets The Stride*

Those sectors holding their own include primary and fabricated metals, machinery and instruments, printing and publishing, and chemicals allied with nucleonics at Hanford. Collectively, the non-lumber and non-aircraft portions of manufacturing account for upwards of 60 percent of the total. Linkages unquestionably exist, particularly in machinery. However, the fact that much of the state's primary goods-production is standing pat contrasts sharply with declines nationally in those same industries over the same time period.

Into the breach has come the services economy. Employment has heightened by 26,000 on a seasonally adjusted basis since the beginning of the year. And the year-to-year margin has held virtually unchanged even when adjusted for the census at 4.8 percent for July both this year and last. Retail trade and personal services, including health services, stand at the forefront. The impact of higher population and higher employment levels over the past seven years has generated increased demand for basic services throughout the state of Washington.

Owing largely to the further pullback of noncertified staff at public schools, government payrolls dropped by 32,700 in July. Non-teaching staff, including maintenance workers, cafeteria personnel, and office support, undoubtedly will be recalled this fall. But unlike previous years, release of another 4,000 temporary census workers also figured importantly in the total. The balance of government, meanwhile, jumped by 4,400.

Trade and services netted out at a 1,900 worker gain for the month. Losses in wholesale trade (-1,300) reflected transition between major crops. Retailing was higher by 1,300. Services mounted in July by 1,900 on the strength of business services (+900) and health care (+700). Movements in every case were fairly typical for the time of year.

Construction Mounts Seasonally

As the temperature mounted, so did construction. Worker levels in the industry heightened over the month by 4,300. Half the increase came in special trades; the remainder was split evenly between building construction and public works. Most notably, the 600-worker uptick in residential construction amounted to roughly half that posted for July in the previous three years.

Housing starts have slipped badly. New starts, as evidenced by building permits, registered 36 percent higher than a year earlier in the first quarter. By the second quarter, that margin had narrowed to 9 percent. And by July volume was running 12 percent below the prior-year month. Sales of existing homes in the Seattle area have eased off, inventories have risen, and average market value has dropped since last spring. More of the same can reasonably be expected in the upcoming months given the economic scenario emerging for both the state and the region.

12-Month Margin Remains Respectable

Washington's economy over the past twelve months added 87,500 workers to the state nonfarm job rolls. The rate of increase at 4.3 percent reflects some slowing from 5.3 percent for all of 1989 and a peak of 5.8 percent in the first quarter. But the national average July-to-July was up only 1.8 percent. Manufacturing in particular has shifted from 23,400 *above* a year earlier last July to 1,900 *below*. And services has eased from 31,100 to 26,700 over the same time period.

Most of the growth continues to be centered in services and trade, however. Retail trade (+ 23,200) and services (+ 26,700) have accounted for fully half the total job gain since July 1989. Another 11,900, or 14 percent, has come in area construction. Government is higher by a near equal 11,700. The balance of the services economy shows an increase of 8,400.

Those sectors holding their own include primary and fabricated metals, machinery and instruments, printing and publishing, and chemicals allied with nucleonics at Hanford. Collectively, the non-lumber and non-aircraft portions of manufacturing account for upwards of 60 percent of the total. Linkages unquestionably exist, particularly in machinery. However, the fact that much of the state's primary goods-production is standing pat contrasts sharply with declines nationally in those same industries over the same time period.

Nonmanufacturing Sets The Stride

Into the breach has come the services economy. Employment has heightened by 26,000 on a seasonally adjusted basis since the beginning of the year. And the year-to-year margin has held virtually unchanged even when adjusted for the census at 4.8 percent for July both this year and last. Retail trade and personal services, including health services, stand at the forefront. The impact of higher population and higher employment levels over the past seven years has generated increased demand for basic services throughout the state of Washington.

Owing largely to the further pullback of noncertified staff at public schools, government payrolls dropped by 32,700 in July. Non-teaching staff, including maintenance workers, cafeteria personnel, and office support, undoubtedly will be recalled this fall. But unlike previous years, release of another 4,000 temporary census workers also figured importantly in the total. The balance of government, meanwhile, jumped by 4,400.

Trade and services netted out at a 1,900 worker gain for the month. Losses in wholesale trade (-1,300) reflected transition between major crops. Retailing was higher by 1,300. Services mounted in July by 1,900 on the strength of business services (+ 900) and health care (+ 700). Movements in every case were fairly typical for the time of year.

Construction Mounts Seasonally

As the temperature mounted, so did construction. Worker levels in the industry heightened over the month by 4,300. Half the increase came in special trades; the remainder was split evenly between building construction and public works. Most notably, the 600-worker uptick in residential construction amounted to roughly half that posted for July in the previous three years.

Housing starts have slipped badly. New starts, as evidenced by building permits, registered 36 percent higher than a year earlier in the first quarter. By the second quarter, that margin had narrowed to 9 percent. And by July volume was running 12 percent below the prior-year month. Sales of existing homes in the Seattle area have eased off, inventories have risen, and average market value has dropped since last spring. More of the same can reasonably be expected in the upcoming months given the economic scenario emerging for both the state and the region.

12-Month Margin Remains Respectable

Washington's economy over the past twelve months added 87,500 workers to the state nonfarm job rolls. The rate of increase at 4.3 percent reflects some slowing from 5.3 percent for all of 1989 and a peak of 5.8 percent in the first quarter. But the national average July-to-July was up only 1.8 percent. Manufacturing in particular has shifted from 23,400 *above* a year earlier last July to 1,900 *below*. And services has eased from 31,100 to 26,700 over the same time period.

Most of the growth continues to be centered in services and trade, however. Retail trade (+ 23,200) and services (+ 26,700) have accounted for fully half the total job gain since July 1989. Another 11,900, or 14 percent, has come in area construction. Government is higher by a near equal 11,700. The balance of the services economy shows an increase of 8,400.

AREA TRENDS

Urban vs. Rural

All the metropolitan areas of western Washington showed an unemployment rate in July hovering below the national average. Seattle-Everett, in particular, was lower by almost two full percentage points at 3.6 percent of the civilian workforce. Other urban centers west of the Cascades clustered around 5.0 percent from a low of 4.9 in Bremerton to 5.4 percent in Vancouver. Tacoma stood at 5.0 percent. East of the mountains showed Spokane only slightly higher at 5.5 percent, the Tri-Cities at 7.8 percent, and Yakima at 9.2 percent. All registered significantly lower than a year before.

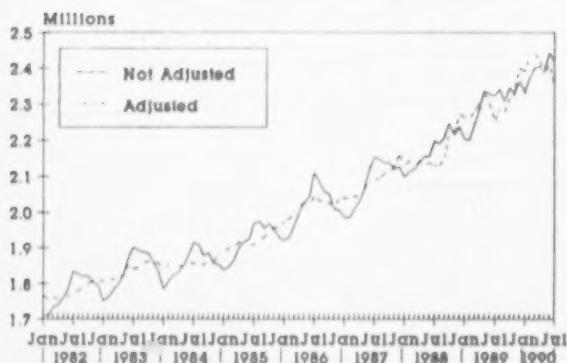
The same can be said of the outlying areas. But the absolute level of unemployment in both the timber and farm-dependent economies was a good two percentage points higher at 7.2 percent in July. Typically, both areas will drop significantly over the next couple months to their seasonal lows for the year. The nonmetropolitan counties also showed a far greater spread for the month from a minuscule 1.9 percent in San Juan County to a high of 16.2 percent in Asotin County.

Highs And Lows

It is remarkable with a slowing economy that the labor markets throughout most of Washington remain so tight. Overall unemployment is currently tracking at the lowest since the mid-1960s. The state, together with most of the metropolitan areas, has dropped below the national jobless rate for the first time since briefly in late-1966. And the difference appears to be widening.

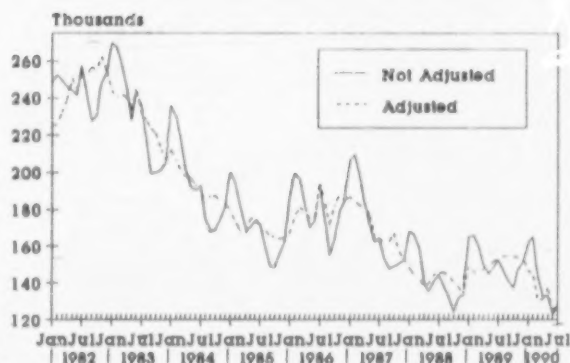
Part of the explanation probably rests in the fact that the take-off point coming into the year was abnormally low. The average for 1989 represented the culmination of seven years of extraordinary economic growth for the state which essentially halved unemployment from 12.1 percent to 6.2 percent. Normal seasonal expansion played against that base. In addition, sheer demographics is making for lower numbers of youth. And, finally, rapid acceleration of housing costs in Seattle over the past several years might possibly have reached the point of impeding some of the labor influx.

State Total Resident Employment
January 1982-July 1990



Source: Employment Security Department

State Total Resident Unemployment
January 1982-July 1990



Source: Employment Security Department

REGIONAL NOTES

Population: The Top Ten

Preliminary 1990 Census figures confirm that Washington's population growth over the past decade was among the highest of any state in the nation. The state ranked tenth out of the 50 states in terms of relative change over the ten-year period. Washington's population was tentatively estimated at 4,827,000 as of April 1, up 16.8 percent or 695,000 since 1980. Roughly half the growth occurred in King and Snohomish counties.

Comparable figures for the adjacent states showed Oregon up 7.4 percent; Idaho, 6.3 percent; and Montana, 1.0 percent. Alaska and California were higher by an astonishing 36 percent and 24 percent, respectively. So much for the big rollers. Most significantly, if the census figures hold, Washington stands to gain a ninth Congressional seat. The estimates at this point are subject to revision pending appeals by individual states.

Trimming East And West

National Semiconductor announced plans to close one of two production lines at its Puyallup plant and layoff about 300 workers in the process. Markets for ultrafast memory chips manufactured at the Puyallup facility have not proven strong enough to warrant continued peak operations. In the 12-months ending in May, National Semiconductor lost \$25 million on sales of \$1.68 billion nationwide. The Puyallup plant was acquired from Fairchild Semiconductor in October 1987 as part of one of the most celebrated mergers in semiconductor history.

On the east side of the state, ISC/Bunker Ramo has indicated pending layoffs of 10 to 15 percent of its nationwide workforce, or up to 250 workers. Spokane-based ISC merged with Connecticut-based Bunker Ramo in May of last year. There is no indication of where the layoffs will hit. But employment at the Liberty Lake plant near Spokane has already been reduced from 1,100 to 600 workers with the most recent cutbacks coming in April. The company manufactures computer hardware and software primarily for the financial services industry.

Local Consumer Prices Surge

Consumer prices in the Seattle area shot up 3.8 percent in the first half of 1990—the biggest semiannual rise since the mid-1980s and substantially greater than the national average. Strong surges in prices for both food and housing accounted for two-thirds of the overall increase, but prices rose for all major spending categories. Over the year, the increase measured 6.4 percent compared to 4.9 percent for the U.S. as a whole.

NATIONAL INDICATORS

Recession Or No Recession

The government's index of leading indicators, designed to signal economic activity six to nine months in advance, stalled in July. Only three of the 11 data series were positive: orders for new plant and equipment, raw material prices, and the index of consumer confidence.

The other 8 dropped over the month. The July reading followed a barely perceptible 0.1 percent increase in June, and clearly indicated an precarious economic setting even before the Mid-East oil crisis hit.

Industrial Production Goes Nowhere

Production of U.S. industries leveled off in July after rising in the previous two months — another sign the economy is cooling. Manufacturing output slipped 0.1 percent; utility production was down 0.4 percent; and mining posted a 1 percent increase. Industry also used less capacity in July. Overall operating rates in manufacturing dropped from 82.9 percent to 82.6 percent over the month.

Machine Orders Off

Understandably, given higher excess capacity in manufacturing, orders for new machine tools dropped sharply by 11.9 percent in July. Some of the weakness over the month was seasonal, reflecting summer shut-downs and model changeover in the auto industry. But part undoubtedly reflects growing uncertainty with the economic outlook, particularly among smaller machine-tool customers. Domestic orders fell 3.5 percent in July; export orders were off 54 percent.

Consumer Price Index

(All items, Urban Consumers, 1982-1984 = 100)

	Indexes			% Change From	
	Jul 90	Jun 90	Jul 89	Jun 90	Jul 89
U.S. City Average	130.4	129.9	124.4	0.4%	4.8%
Seattle†	Jan-Jun 1990	Jan-Jun 1989		Jan-Jun 1989	
	124.2	116.7		6.4%	

†The index for Seattle reflects prices in King, Pierce and Snohomish Counties.
Source: U.S. Department of Labor, Bureau of Labor Statistics

Nonagricultural Wage & Salary Workers in Washington State, Place of Work¹

(In Thousands) (Not Seasonally Adjusted)

Industry	Jul 1990 (Prel)	Jun 1990 (Rev)	Jul 1989 (Rev)	Jun 1989 (Rev)	Numeric Change	
					Jun 1990 to Jul 1990	Jul 1989 to Jul 1990
TOTAL NONAG. WAGE AND SALARY . . .	2,141.2	2,166.1	2,053.7	2,073.3	-24.9	87.5
MANUFACTURING	365.8	365.2	367.7	365.1	0.6	-1.9
Durable Goods	259.7	259.4	262.6	260.2	0.3	-2.9
Lumber & Wood Products	41.4	41.1	42.8	42.6	0.3	-1.4
Furniture & Fixtures	4.4	4.4	3.9	3.9	0.0	0.5
Stone, Clay & Glass	7.9	7.9	8.0	7.8	0.0	-0.1
Primary Metals	13.0	13.0	13.7	13.3	0.0	-0.7
Aluminum	8.9	8.9	9.4	9.0	0.0	-0.5
Fabricated Metals	12.5	12.3	12.2	12.1	0.2	0.3
Industrial Machinery & Equipment	19.8	19.6	19.4	19.5	0.2	0.4
Electronic & Other Elect. Equipment	12.0	12.0	11.7	11.6	0.0	0.3
Transportation Equipment	128.0	128.4	129.7	128.7	-0.4	-1.7
Aircraft and Parts	113.0	113.3	114.2	113.3	-0.3	-1.2
Instruments & Related	14.9	14.8	15.2	14.9	0.1	-0.3
Miscellaneous Manufacturing	5.8	5.9	6.0	5.8	-0.1	-0.2
Nondurable Goods	106.1	105.8	105.1	104.9	0.3	1.0
Food & Kindred Products	35.7	35.9	35.5	35.9	-0.2	0.2
Preserved Fruits & Vegetables	12.0	12.4	12.3	13.0	-0.4	-0.3
Textiles, Apparel & Leather	7.7	7.5	8.0	7.9	0.2	-0.3
Paper & Allied Products	18.9	18.8	19.0	18.8	0.1	-0.1
Printing & Publishing	22.3	22.3	21.9	21.8	0.0	0.4
Chemicals & Allied Products	13.3	13.2	12.3	12.2	0.1	1.0
Petroleum, Coal, Plastics	8.2	8.1	8.4	8.3	0.1	0.2
MINING & QUARRYING	3.9	3.9	3.7	3.7	0.0	0.2
CONSTRUCTION	125.5	121.2	113.9	109.5	4.3	11.6
TRANSPORTATION, COMM., & UTIL	114.0	113.6	110.1	109.0	0.4	3.9
WHOLESALE & RETAIL TRADE	536.9	536.9	505.9	506.9	0.0	31.0
Wholesale Trade	133.9 ²	135.2 ²	126.1	127.5	-1.3	7.8
Retail Trade	403.0	401.7	379.8	379.4	1.3	23.2
General Merchandise	38.3	38.2	37.0	37.1	0.1	1.3
Food Stores	68.4	68.2	61.4 ²	61.6 ²	0.2	7.0
Eating & Drinking	148.3	147.3	139.2	139.0	1.0	9.1
FINANCE, INS., & REAL ESTATE	118.0	117.4	113.7	113.0	0.6	4.3
Finance	53.3	53.1	51.4	51.0	0.2	1.9
SERVICES	504.6	502.7	477.9	477.3	1.9	26.7
Hotels & Lodging	27.7	27.7	26.1	25.8	0.0	1.6
Business Services	83.2	82.3	78.3	77.8	0.9	4.9
Health Services	150.8	150.1	141.8	141.1	0.7	9.0
Hospitals	49.7	49.4	46.7	46.6	0.3	3.0
GOVERNMENT	372.5	405.2	360.8	388.8	-32.7	11.7
Federal	74.1	78.1	72.5	72.0	-4.0	1.6
State	101.6	114.6	96.2	110.5	-13.0	5.4
State Education	45.2	59.5	43.5	57.9	-14.3	1.7
Local	196.8	212.5	192.1	206.3	-15.7	4.7
Local Education	92.9	111.7	88.8	109.3	-18.8	4.1
LABOR MANAGEMENT DISPUTES	0.8	0.8	8.0	8.0	0.0	-7.2

¹Excludes proprietors, self-employed, members of armed forces, and private household employees. Includes all full- and part-time wage and salary workers receiving pay during the pay period including the 12th of the month.

²Workers excluded because of involvement in labor-management dispute.

Date: 9/5/90
Benchmark: 1989

Resident Labor Force and Employment in Washington State and Labor Market Areas

Washington State
Employment Security Department
Labor Market and Economic Analysis

Not Seasonally Adjusted

July 1990 Preliminary†

June 1990 Revised†

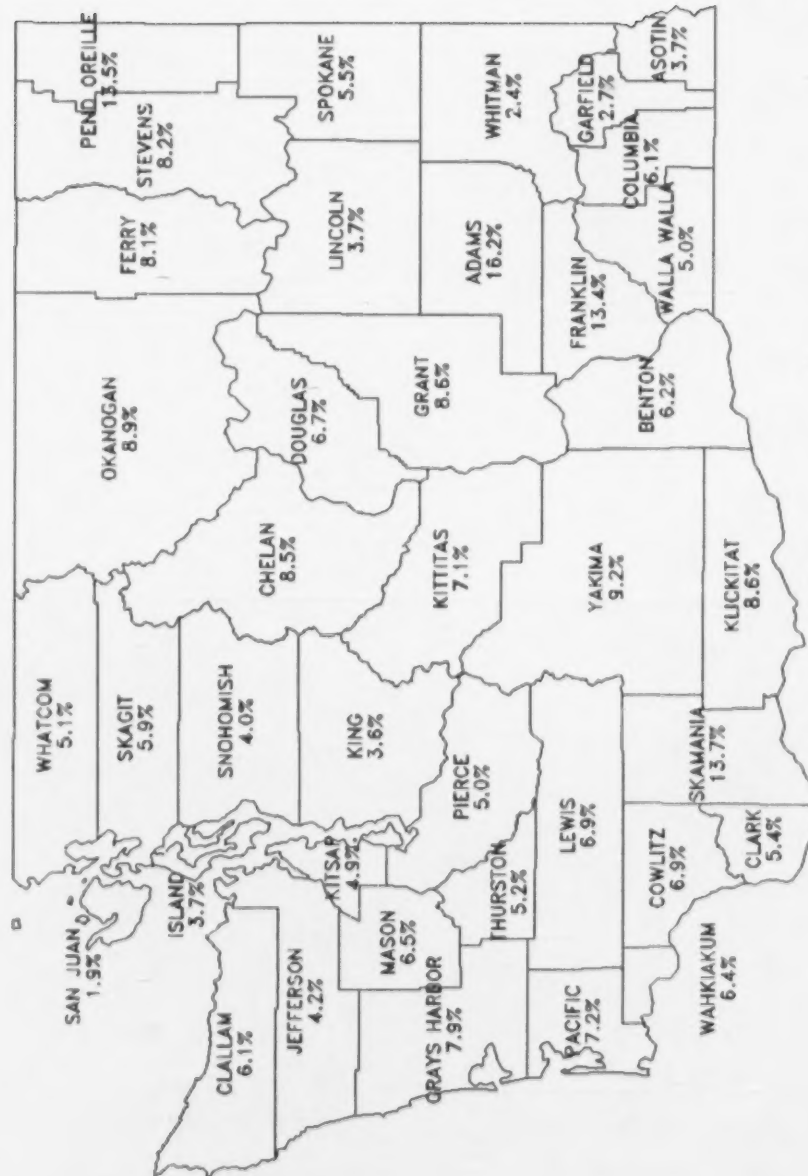
July 1989 Revised†

	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate	Labor Force	Employment	Unemployment	Unemployment Rate
Washington State Total	2,548,200	2,420,100	128,100	5.0	2,564,100	2,441,600	122,500	4.8	2,475,200	2,322,800	152,400	6.2
Bellingham MSA	68,700	65,200	3,500	5.1	68,800	65,600	3,200	4.7	66,000	61,800	4,200	6.4
Bremerton MSA	82,200	78,200	4,000	4.9	82,100	78,200	3,900	4.8	79,900	75,400	4,500	5.6
Olympia MSA	84,700	80,300	4,400	5.2	85,000	80,700	4,300	5.1	80,400	75,200	5,200	6.5
Seattle PMSA	1,139,000	1,097,000	42,000	3.7	1,147,800	1,106,800	41,000	3.6	1,111,600	1,058,800	52,800	4.7
King County‡	899,100	866,700	32,400	3.6	906,400	874,500	31,900	3.5	878,500	836,600	41,900	4.8
Snohomish County‡	239,900	230,300	9,600	4.0	241,400	232,300	9,100	3.8	233,200	222,300	10,900	4.7
Spokane MSA	170,000	160,700	9,300	5.5	173,600	164,400	9,200	5.3	168,900	157,600	11,300	6.7
Tacoma PMSA	260,200	247,100	13,100	5.0	260,300	247,300	13,000	5.0	253,200	236,500	16,700	6.6
Tri-Cities MSA	77,300	71,300	6,000	7.8	83,900	78,600	5,300	6.3	73,500	67,300	6,200	8.4
Benton County‡	59,500	55,800	3,700	6.2	65,000	61,500	3,500	5.4	57,100	52,700	4,400	7.7
Franklin County‡	17,900	15,500	2,400	13.4	18,800	17,100	1,700	9.0	16,400	14,600	1,800	11.0
Vancouver PMSA	128,000	121,100	6,900	5.4	128,800	121,800	7,000	5.4	123,800	116,100	7,700	6.2
Yakima MSA	106,500	96,700	9,800	9.2	107,400	99,200	8,200	7.6	102,000	90,900	11,100	10.9
Adams	7,730	6,480	1,250	16.2	7,870	7,060	810	10.3	7,290	6,260	1,030	14.1
Asotin	10,120	9,750	370	3.7	10,220	9,830	390	3.8	9,230	8,800	430	4.7
Clallam	25,090	23,560	1,530	6.1	25,090	23,580	1,510	6.0	25,520	23,550	1,970	7.7
Columbia	2,770	2,770	180	6.1	3,000	2,890	110	3.7	1,750	1,500	250	14.3
Cowlitz	39,420	36,690	2,730	6.9	39,730	37,080	2,650	6.7	38,630	35,460	3,170	8.2
Ferry	3,320	3,050	270	8.1	3,350	3,070	280	8.4	3,370	3,030	340	10.1
Garfield	1,130	1,100	30	2.7	1,100	1,080	20	1.8	1,150	1,110	40	3.5
Grant	28,350	25,920	2,430	8.6	29,120	26,870	2,250	7.7	27,750	24,880	2,870	10.3
Grays Harbor	27,980	25,780	2,200	7.9	28,260	26,060	2,200	7.8	26,850	24,360	2,490	9.3
Iland	2,650	2,180	470	17.8	22,680	21,860	820	3.6	21,230	20,250	980	4.6
Jefferson	9,540	9,140	400	4.2	9,090	8,730	360	4.0	9,170	8,730	440	4.8
Kittitas	11,780	10,340	1,440	12.2	12,600	11,830	770	6.1	11,340	10,400	940	8.3
Klickitat	9,070	8,290	780	8.6	8,920	8,070	850	9.5	8,660	7,730	930	10.7
Lewis	26,610	24,770	1,840	6.9	27,020	25,210	1,810	6.7	26,220	24,130	2,090	8.0
Lincoln	4,610	4,440	170	3.7	4,600	4,410	190	4.1	4,760	4,550	210	4.4
Mason	14,140	13,220	920	6.5	14,470	13,560	910	6.3	13,560	12,520	1,040	7.7
Okanoogan	18,530	16,880	1,650	8.9	17,660	16,140	1,520	8.6	17,840	15,970	1,870	10.5
Pacific	7,930	7,360	570	7.2	7,840	7,340	500	6.4	7,800	7,120	680	8.7
Pend Oreille	3,340	2,890	450	13.5	3,390	2,970	420	12.4	4,630	4,170	460	9.9
San Juan	7,250	7,390	140	1.9	6,850	6,720	130	1.9	6,770	6,600	170	2.5
Skagit	43,160	40,600	2,560	5.9	40,220	37,780	2,440	6.1	40,060	37,100	2,960	7.4
Skamania	2,110	1,820	290	13.7	2,190	1,890	300	13.7	2,140	1,830	310	14.5
Stevens	12,700	11,660	1,040	8.2	12,880	11,650	1,190	9.2	12,460	11,370	1,090	8.7
Wahkiakum	1,410	1,320	90	6.4	1,360	1,260	100	7.4	1,420	1,340	80	5.6
Walla Walla	25,430	24,170	1,260	5.0	26,050	24,890	1,160	4.5	24,730	23,340	1,390	5.6
Wenatchee Labor Area	46,790	43,090	3,700	7.9	42,410	39,080	3,330	7.9	43,910	39,950	3,960	9.0
Chelan County‡	31,220	28,570	2,650	8.5	28,250	25,910	2,340	8.3	29,430	26,490	2,940	10.0
Douglas County‡	15,570	14,520	1,050	6.7	14,160	13,170	990	7.0	14,490	13,470	1,020	7.0
Whitman	18,210	17,770	440	2.4	18,500	18,090	410	2.2	17,610	17,140	470	2.7

†Official U.S. Department of Labor, Bureau of Labor Statistics data. ‡Estimates are determined by using the Population/Claims Share disaggregation methodology. Note: Detail may not add due to rounding.

JULY 1990 UNEMPLOYMENT RATES

STATE OF WASHINGTON = 5.0%



Estimated Average Hours and Earnings of Production Workers in Manufacturing and of Nonsupervisory Workers in Nonmanufacturing Activities, Washington State

	Preliminary July Production Workers & Nonsupervisory Workers	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
		Jul 90	Jun 90	Jul 89	Jul 90	Jun 90	Jul 89	Jul 90	Jun 90	Jul 89
TOTAL MANUFACTURING INDUSTRIES¹	216,263	\$521.09	\$523.67	\$507.02	39.9	40.5	40.4	\$13.06	\$12.93	\$12.55
SELECTED MANUFACTURING INDUSTRIES										
Lumber and Wood Products	34,661	\$467.31	\$452.79	\$457.06	40.6	40.5	39.3	\$11.51	\$11.18	\$11.63
Primary Metal Industries	10,498	\$567.91	\$555.72	\$518.68	42.7	42.1	41.1	\$13.30	\$13.20	\$12.62
Fabricated Metal Products	10,007	\$522.07	\$520.94	\$505.44	41.5	42.7	41.6	\$12.58	\$12.20	\$12.15
Machinery	20,109	\$428.85	\$431.74	\$381.02	39.2	39.5	37.8	\$10.94	\$10.93	\$10.08
Food and Kindred Products	25,017	\$369.00	\$358.76	\$371.14	36.0	37.1	37.3	\$10.25	\$9.67	\$9.95
Chemical and Allied Products	4,694	\$684.43	\$665.60	\$638.98	43.1	42.1	41.6	\$15.88	\$15.81	\$15.36
Transportation Equipment	58,333	\$654.69	\$669.25	\$645.17	41.7	42.6	43.8	\$15.70	\$15.71	\$14.73
SELECTED NONMANUFACTURING INDUSTRIES										
Construction	95,953	\$650.63	\$639.68	\$640.13	37.5	36.7	37.9	\$17.35	\$17.43	\$16.89
Wholesale and Retail Trade (Includes eating and drinking establishments)	477,097	\$289.10	\$279.90	\$269.01	31.7	31.1	30.5	\$9.12	\$9.00	\$8.82

¹ Average hourly earnings for all manufacturing production workers reported in this table do not exactly reflect the official US Bureau of Labor Statistics definition of "wages." While these data still constitute a valid economic indicator series, they should not be used at this time for the negotiation of contracts whose monetary provisions may depend upon official US Bureau of Labor Statistics hourly earning data.

Washington State
Employment Security
Labor Market and
Economic Analysis Branch
212 Maple Park
Mail Stop KG-11
Olympia, WA 98504-5311

OFFICIAL BUSINESS
Penalty For Private Use \$300

WLM

☐ If you no longer wish to receive this publication, please check here
and return this cover to the above address.

If your address has changed, please indicate new address below and
return this cover to the above address.

CONGRESSIONAL INFO SERVICE
SRI
4520 EAST WEST HWY
BETHESDA MD 20814



POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL
LAB-449